

## **INSTITUTE REPLACEMENT CLAUSE**

Subject to the terms, conditions, exclusions and clauses of the Policy, or those endorsed therein, it is understood and agreed that the Company shall compensate the Insured for loss or damage, provided that the following conditions are met:

In the event of loss of or damage to any part or parts of insured machinery that is caused by a risk covered by the Policy, the sum payable shall not exceed the cost of replacing or repairing said part or parts, plus re-shipment expenses (if any), although excluding customs duty, unless the total thereof are included in the Insured Sum, in which case the damage suffered for payment of additional duties (if any) shall also be recoverable.

It is hereby stipulated that under no circumstances shall the liability of the Company exceed the insured value of the entire item insured.