It is agreed and understood that, otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the following clause shall apply to this insurance:

Loss or damage due to faulty design, defective material or casting, bad workmanship other than faults in erection arising out of the same cause to machines or equipment of the same type or design shall be indemnified after applying the Policy deductible for each loss according to the following scale:

100 % of the first loss
% of the loss
% of the loss
% of the loss
% of the loss

Further losses shall not be indemnified.

(The percentages have to be fixed in accordance with the condition of each individual component, eg depending on the number of items at risk.)