

## MACHINERY BREAKDOWN INSURANCE PROPOSAL FORM

**NOTICE TO THE APPLICANT:**

**YOU ARE TO DISCLOSE IN THIS PROPOSAL FORM FULLY AND FAITHFULLY ALL FACTS WHICH YOU KNOW OR OUGHT TO KNOW, OTHERWISE YOU MAY RECEIVE NOTHING FROM THE POLICY (AS DEFINED BELOW).**

**Completing the Proposal Form**

- Please answer all questions in full leaving no blank spaces.
- If you have insufficient space to complete any of your answers, please attach a separate signed and dated sheet and identify the question number concerned.
- It is agreed that the whenever used in this proposal form, the term Applicant shall mean the Principal Organisation and all its Subsidiaries.
- It is agreed that whenever used in this proposal form the definition of the terms 'Claims', 'Policy Period' 'Legal Representation Expenses', 'Defence Costs', 'Director' or 'Officer' are in accordance with the policy.
- The headings in this proposal are solely for convenience.
- All information provided by the Applicant will be maintained in strictest Confidence by RAK Insurance

**PLEASE READ THE ENTIRE POLICY AND THE PROPOSAL FORM CAREFULLY.**

<b>1. GENERAL INFORMATION</b>	
a)	Name of Applicant
b)	Applicant's Address:
c)	Applicant's web address
d)	Nature of Applicant's Activities:
e)	Estimated Annual Turnover
f)	Address of plants/works to be covered under this proposal
g)	Name and Address of auditors of accounting records.
h)	Date of Establishment of plants to be insured
<b>2. PLANT PRODUCTION</b>	
a)	Please provide a brief description of the production process
b)	Since when has the current process been used?
c)	Was a different method used prior to the current process?
c)	If Yes, please provide details
d)	What type of repair work can be carried out internally?
e)	Please indicate the external repair facilities for equipment contained in 5GI 0311
f)	Please provide details of preventive maintenance and inspection routines for all equipment
g)	How many employees work in the insured plant?
h)	How many maintenance staff are employed in the insured plant?



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<b>2. PLANT PRODUCTION (contd.)</b>		
i)	Please provide a breakdown of the working hours in the plant	Number of shifts
		Hours per day
		Hours per week
		Days per year
j)	Are there any seasonal fluctuations in sales or production greater than 20%? If Yes, please provide details of monthly production/sales.	<input type="checkbox"/> Yes <input type="checkbox"/> No
k)	Is there a stock of finished or semi-finished products? If Yes, what period of interruption can be compensated thereby?	<input type="checkbox"/> Yes <input type="checkbox"/> No
l)	Are supplies furnished against Letters of Credit? If Yes, what period of interruption can be compensated thereby?	<input type="checkbox"/> Yes <input type="checkbox"/> No
m)	In case of machinery damage, is the interruption period longer than the period of repair of the machine? If Yes, please provide details of the extension of delay	<input type="checkbox"/> Yes <input type="checkbox"/> No
n)	Is the insurance only to cover the additional expenditure caused by using an external power supply in case of machinery breakdown in your own power generation plant? If Yes, please indicate	<input type="checkbox"/> Yes <input type="checkbox"/> No
	i. Item numbers of the machines to be insured on the Machine specification form 5GI 0311	
	ii. Power requirements of the works	
	iii. Percentage of power generation provided by the factory generators	
	iv. Extent of current that may be drawn from external sources	
	v. Cost per KWhr of external supply	
	vi. Factory generating costs saved per KWhr if external sources are used Please indicate additional electricity charges in section <b>3. COVER DETAILS</b>	
o)	If maximum demand charges are to be covered What are the maximum charges per KW of external power? What is the method of calculation? (Please provide a copy of the electricity contract.) Please indicate the annual maximum demand charge for external power to be insured in section <b>3. COVER DETAILS</b> . What is the percentage deductible required for maximum demand charges (minimum 10%)	



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<b>3. COVER DETAILS</b>		
a)	When is the commencement of the business year?	
	Please provide details based on the last completed business year as below:	
i.	Business Year	
ii.	Turnover	
iii.	Expenditure incurred for external power, goods, raw materials and supplies used for maintenance	
iv.	Company- manufactured additions to assets	
v.	Reductions in Gross Profit due to damage incurred during the business year	
vi.	Inventory value of finished and semi-finished goods at the end of the business year	
<b>Sub-Total 1</b>		
i.	Deductions from turnover (such as discounts granted to customers, rebates, price deductions)	
ii.	Excise and turnover taxes	
iii.	Expenditure incurred for external power, goods, raw materials and supplies total	
iv.	Other costs(such as carriages paid to other firms, customs duties, postage, turnover dependent insurance premiums, licenses)	
v.	Inventory value of finished and semi-finished goods at the commencement of the business year	
<b>Sub-Total 2</b>		
<b>Subtotal 1-Subtotal 2</b>		
Gross Profit Safety Margin for increased production during insurance period		
<b>TOTAL Sum Insured</b>		
b)	Please indicate the required cover below. If wages are to be covered please indicate and sub divide sum insured from gross profit together with any special extensions required	
	Item No	Description of Cover
	1	Gross Profit
	2	Increased cost of Electricity
	3	Maximum Demand charges
	4	
	5	
c)	What Time excess is required for the cover (minimum excess 2 days)	
<b>4. INSURANCE &amp; CLAIMS HISTORY</b>		
a)	Provide the following information regarding the Applicant's current professional liability insurance programme.	Insurer
		Policy Period
		Limit
		Premium
		Deductible
b)	Has any policy of or application for similar insurance on the Applicant's behalf ever been declined, cancelled or renewal refused?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If Yes, please provide details on a separate sheet indicating name of insurance carrier and reason and attach to this proposal.	



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<b>4. INSURANCE &amp; CLAIMS HISTORY (contd.)</b>			
c)		Have there been during the last 5 years, or are there now pending, any loss, or claim that would be related to this coverage? If Yes, please provide details as below.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Date	Machinery Item	Type of loss or claim	Actual or estimated amount
<b>5. FALSE INFORMATION</b>			
Any person who, knowingly and with intent to defraud any insurance company or other person, files a proposal for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.			
<b>6. DECLARATION AND SIGNATURE</b>			
The undersigned authorised officers of the Applicant declare that to the best of their knowledge and belief the statements set forth herein and all attachments and schedules hereto are true and complete and immediate notice will be given should any of the above information alter between the date of this proposal and the proposed date of inception of the insurance. Although the signing of the proposal does not bind the undersigned, on behalf of the Applicant and its directors and officers, to effect insurance, the undersigned agree that this proposal and all attachments and schedules hereto and the said statements herein shall be the basis of and will be incorporated in the policy should one be issued.			
Signed and Stamped	Authorised Representative	Date	

**For RAK Insurance Use Only:**

Name of Consultant/Introducer/Broker:

Consultant Code:

RAK Location:

Date sent: