

Machinery Breakdown Loss of Profit Insurance

Proposal Form

ADNIC is a Public Joint Stock Company incorporated in the United Arab Emirates by Law No. (4) of 1972, and it is governed by the provisions of the UAE Federal Law No. (6) of 2007 "Establishment of the Insurance Authority & Organization of its Operations", with Registration No. (1).

Completing this form

In order to apply for this insurance, please complete all parts of this proposal form and the annexures, if any.

You must provide full, accurate, and true answers to all questions listed below. Material facts which you know or ought to know should be fully and accurately disclosed. Failure to do so may result in rejecting your claim and/or terminating the insurance policy from inception.

If you are in any doubt about what you should disclose, please do not hesitate to contact us. A material fact is one that would influence our decision whether to offer you insurance or the terms which we offer.

If the space provided is inadequate, please provide details using an additional information sheet, signed and dated.

Your insurance does not commence when you sign the proposal. Your cover will only commence once we have reviewed the proposal form and confirmed cover in writing.

Please keep a copy of this proposal form for your record along with any correspondence/information provided to us and policies/endorsements that are issued to you subsequently.

1. General information

- a. Name of the proposer (in full): _____
- b. Type of business: _____
- c. Physical address of the plant to be insured: _____
- d. Postal address: _____

- e. Contact person: _____
- f. Contact details:
Telephone no.: _____ Landline: _____
Mobile: _____ Fax no.: _____
Email: _____
- g. VAT Tax Registration Number (if applicable): _____

2. Machinery Loss of Profit insurance

- a. What works of your business are to be insured against Machinery Loss of Profits (names and address of the works, their purposes)? _____

- b. What company insures these works against:
i) Fire? _____
ii) Fire Loss of Profits? _____
- c. Has the machinery to be insured been formerly covered by other companies against Machinery Loss of Profits? Yes No
If Yes, what company? _____

- d. Which chartered accountant (name and address) audits the accounting records and in what intervals?

- e. When was your firm established? _____

2. Machinery Loss of Profit insurance (continued)

f. Since when has the present production method used in the works to be insured been applied?

g. What interruptions due to a machinery loss have occurred in the works to be insured during the last 5 years?

i) Number and type(s): _____

ii) Duration: _____

iii) Due to machinery of item no.: _____

3. Production details

a. Please give a brief description of the production process, making special allowance for production bottlenecks and attaching a flow sheet to show the machinery to be insured for loss of profit (please attach further sheets if necessary): _____

b. What type of repair work can be carried out without external help? _____

Please indicate external repair facilities for the individual machines in the list of machinery.

c. What maintenance work and what inspections are carried out regularly to keep the machines to be insured in good working order? _____

d. State the number of employees engaged in the works to be insured:

i) Total number: _____

ii) Number employed for maintenance purposes: _____

iii) Fluctuation (in %): _____

3. Production details (continued)

e. Normal working hours of the works to be insured

Per day: _____ hours in _____ shifts

Per week: _____ hours

Per year: _____ days

f. Are there any seasonal production or sales fluctuations of more than 20% in the works to be insured?

Yes No

If Yes, please indicate monthly figures: _____

g. Is there a stock of semi-finished or finished products?

Yes No

If Yes, what period of interruption can be compensated thereby? _____

h. Are supplies furnished against letters of credit?

Yes No

If so, please indicate the percentage such supplies have in the turnover: _____

i. In the case of machinery damage, is the interruption period longer than the repair period for the machinery involved? _____

4. Cover information

a. Is insurance cover only the additional expenditure caused by using an external electric power supply in the case of breakdown of machineries in your own power generation plant? Yes No

If Yes, please indicate:

Item numbers of the machinies to be insured hereunder:

i) Power requirements of the works (KW, KWh, p.a.): _____

ii) Percentage of power requirement met by the factory generator: _____

iii) Extent (KW, KWh, p.a.) of current that may be drawn from external power sources:

4. Cover information

iv) Cost per KWh of external power: _____

v) Factory generating costs saved per KWh if external power is used: _____

In maximum demand charges are to be insured.

Please indicate under question 4e. (item 2):

i) Maximum demand charge per KW of external power: _____

ii) Method of calculation (please enclose copy of electricity supply contract):

iii) Please indicate the annual maximum demand charge for external power to be insured under question 4e. (item 3): _____

iv) Percentage of deductible desired for maximum demand charges (minimum deductible 10%)

b. If business interruptions due to the failure of public supplies (power, water, gas) are to be included in the cover, please fill in a separate questionnaire.

c. If the risk of deterioration of goods (raw materials, semi-finished or finished goods) due to a business interruption is to be included in the cover, please fill in a separate questionnaire.

d. Calculation of the sum insured

The subject matter insured is the profit achieved by selling the goods manufactured in the works insured and the profit gained from services rendered as well as all stand rendered as well as all standing charges which continue to accrue in the works insured in the event of a business interruption, the annual total of net profit and standing charges, the gross profits, is conveniently determined on the basis of the Profit and Loss Account. The following calculations is based on the Profit and Loss Account of the year.

Commencement of business year: _____

Currency: _____

4. Cover information (continued)

Deductions from turnover (such as discounts granted to customers, rebates, price deductions):	_____	Turnover:	_____
Excise and turnover taxes:	_____	Expenditure incurred for external power, goods, raw materials and suppliers used for maintenance:	_____
Other costs (such as carriages paid to other firms, customs duties, postage, turnover-dependent insurance premiums, licenses):	_____	Company manufactured additions to assets:	_____
Inventory value of finished and semi-finished goods at the commencement of the business year:	_____	Reduction in gross profit due to damage incurred during the business year:	_____
Total	_____	Inventory value of finished and semi-finished goods at the end of the business year:	_____
		Total	_____
		→ Less	_____

If a separate indemnity period is desired for wages, please subdivide the sum insured accordingly and indicate the indemnity period desired for the item of wages under question 4e.

i) Gross profit: _____

ii) Safety margin for increase during the policy year: _____

iii) Sum insured: _____

4. Cover information (continued)

e. Summary of the insurance covers desired

Item no.	Subject matter to be insured	Sum insured
1	Gross profit	
2	Increased cost of electricity	
3		
4		

f. What is the time excess desired?

 14 days 21 days 30 days

g. When is the insurance to commence? _____

5. Claims history

a. Claims history for the past (3) three years.

Year	Premium paid	Claims incurred	Number of claims

b. Has any insurer ever

- i) Declined to insure you? Yes No
- ii) Required special terms to insure you? Yes No
- iii) Canceled or refused to renew your insurance? Yes No

PS. The machinery breakdown LOP will only be considered in conjunction with Machinery Breakdown cover.

Declaration

I/We hereby declare that the statements/information given by me/us in the Proposal Form are full, accurate and true. It is hereby understood and agreed that the statements, answers and particulars provided in this Proposal Form and as per the attachments are the basis on which the insurance policy is being issued/effectuated. If after the insurance policy is effectuated, it is found that any fact in the statements, answers or particulars in this Proposal Form is incorrect, untrue, inaccurate, misrepresented or non-disclosed in any material respect, ADNIC shall have no liability under the insurance policy and/or shall have the right to terminate the insurance policy from inception.

Name of Proposer: _____

Title: _____

Signature: _____

Stamp: _____

Date: _____

Note: Please note that each page of the proposal form should be signed by the Proposer or its legal representative