

Business interruption INSURANCE PROPOSAL FORM

N.B. All questions must be answered in full. Dashes are not acceptable. Please use BLOCK letters or tick as applicable.

Name of Agent/Broker _____

PARTICULARS OF THE PROPOSER

Name of the proposer (in full) _____

Postal Address P.O. Box _____ Town _____

Telephone _____

Profession or Occupation (Nature of business) _____

Period of Insurance: From _____ To _____

PIN Number (Attach copy of certificate) _____

PARTICULARS OF THE BUSINESS AND WORKS TO BE INSURED

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

2. What company insures these works against:
(i) Fire? _____
(ii) Fire Loss of Profits? _____
3. What company covers the machinery to be insured under a machinery break down policy?

Date of issue of the Machinery Breakdown policy? _____
4. Has the machinery to be insured been formerly covered by other companies against Machinery Loss of Profits? YES NO
If YES, state the name of the company _____
5. What chartered accountant (name and address) audits the company and at what intervals? _____

6. When was your firm established? _____
7. Since when has the works to be insured existed? _____
8. Since when has the current production method used in the works to be insured been applied? _____

9. What interruptions due to a machinery loss have occurred in the works to be insured during the last 5 years?
 Number and types: _____

Duration: _____

Due to machinery of item no: _____

GIVE A BRIEF DESCRIPTION OF THE PRODUCTION PROCESS, MAKING ALLOWANCE FOR PRODUCTION BOTTLENECKS AND ATTACHING A FLOW SHEET TO SHOW THE MACHINERY TO BE INSURED

(Attach further sheets if necessary)

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

Give details of external repair facilities for the individual machines in the list of machinery to be insured

11. What maintenance work and what inspections are carried out regularly to keep the machines to be insured in good working order (state intervals)? _____

12. Number of employees in the works to be insured

| Total Number | No. employed for maintenance purposes | Fluctuation (in %) |
|--------------|---------------------------------------|--------------------|
| | | |

13. Normal working hours of the works to be insured

| Per day | | Per week | Per year |
|----------|--------|----------|----------|
| hours in | shifts | hours | days |
| | | | |

14. Are there any seasonal production or sales fluctuations of more than 20% in the works to be insured? YES NO
 If YES, indicate monthly figures _____

15. Is there a stock of semi-finished or finished products? YES NO
 If YES, what period of interruption can be compensated thereby? _____

16. Are supplies furnished against letters of credit? YES NO
 If YES, indicate the percentage such supplies have in the turnover _____ %

17. In the case of machinery damage, is the interruption period longer than the repair period for the machinery involved? YES NO
 If YES, indicate the cause(s) and duration of such a delay _____

18. Is the insurance to cover only the additional expenditure caused by using an external electric power supply in the case of breakdown of machines in your own power generating plant? YES NO

If YES, state:

| | |
|--|--|
| Item numbers of the machines to be insured hereunder | |
| Power requirements of the works (kW, kWh p.a) | |

| | |
|---|--|
| % of power requirement met by the factory generator | |
| Extent (kW, kWh p.a) of current that may be drawn from external power sources | |
| Cost per kWh of external power | |
| Factory generating costs saved per kWh if external power is used | |
| The annual increased cost of electricity under question 23 (item 2) | |

If maximum demand charges are to be insured, state:

| | |
|--|--|
| Maximum demand charge per kW of external power | |
| Method of calculation (enclose copy of electricity supply contract) | |
| The annual maximum demand charge for external power to be insured under question 23 (item 2) | |
| % of deductible desired for maximum demand charges (minimum deductible 10%) | |

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

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.

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 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 profit, is conveniently determined on the basis of the Profit & Loss account. The following calculation is based on the Profit & Loss account of the year.

Commencement of the business year: _____

Currency: _____

| | | | |
|--|--|---|--|
| Deductions from turnover (such as discounts granted to customers, rebates, price reductions) | | Turnover | |
| | | Expenditure incurred for external power, goods, raw materials and supplies used for maintenance | |
| Excise and turnover taxes | | Company manufactured additions to assets | |
| Expenditure incurred for external power, goods, raw materials and supplies, total | | Reduction in gross profit due to damage incurred during the business year | |
| Other costs (such as carriages paid to other firms, turnover-dependent insurance premiums, licenses) | | Inventory value of finished and semi-finished goods at the end of the business year | |
| | | | |
| Inventory of finished and semi-finished goods at the commencement of the business year | | | |
| TOTAL (i) | | TOTAL (ii) | |
| | | TOTAL (ii) - TOTAL (i) | |
| | | Gross Profit | |
| | | Safety margin for increase during the policy year | |

| | |
|--|--------------------|
| | SUM INSURED |
|--|--------------------|

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 'summary of the insurance covers desired' - below

SUMMARY OF THE INSURANCE COVERS DESIRED

| Item No: | Subject matter to be insured | Sum insured |
|----------|------------------------------|-------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |

What time excess is desired? 2 days 4 days 7 days 14 days
 (minimum time excess 2 days)

DECLARATION

The insurers undertake to deal with the information supplied in strict confidence. The undersigned persons declare herewith that the statements made in the questionnaire are complete and to their best knowledge and belief and that they agree that this questionnaire forms the basis and part of the policy to be issued for the insurance proposed.

Date of proposal _____ Signature and stamp of proposer _____

THE LIABILITY OF THE COMPANY DOES NOT COMMENCE UNTIL THE PROPOSAL HAS BEEN ACCEPTED AND THE PREMIUM HAS BEEN PAID

FOR OFFICIAL USE ONLY: Branch Manager/Authorise Person(s) signature _____ Date _____

| LIST OF MACHINERY AND PLANT TO BE INSURED | Special remarks: Loss minimizing possibilities ⁵ , external repair facilities? Prototype? Remaining period of makers guarantee? Teething troubles? Last inspection? Results thereof? Hazard of interruption being prolonged due to solidifying melt, long cooling or starting-up periods? E.t.c | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Desired indemnity period limit ⁴ (months) | | | | | | | | | | | | | | | |
| Spare parts available, replacement period for machine or plant | | | | | | | | | | | | | | | |

1. Each prime remover and machine should be listed separately. Spare machines should be designated as such and are to be included in the insurance cover.
 2. Ratio between actual load and designed oad (e.g. 80%)
 3. Reduction (per cent) of the gross profit in the event of failure of a machine (disregarding any loss minimizing possibilities)
 4. The indemnity period limit represents the maximum period during which the insurers pay indemnification for loss of profits. 3, 6, 9 or 12 months may be agreed on as indemnity periods
 5. Reduction (per cent) of the loss of production by using machines not fully utilised or not utilised at all, carrying on production on other premises, etc. How long does it take to procure hired machinery?

| temperature, heating surface, new replacement value, e.t.c) | 100% | 75% | 50% | 25% |
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|--|-------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | Item No. | | | | | | | | | | | | | | | | | | |
|--|-------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|