

# QBE MACHINERY BREAKDOWN LOSS OF PROFIT PROPOSAL



QBE Insurance (Malaysia) Berhad Registration No: 198701002415

(Part of QBE Insurance Group)  
(Licensed under the Financial Services Act 2013 and regulated by Bank Negara Malaysia)  
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## IMPORTANT NOTICES

- Pursuant to Paragraph 4(1) of Schedule 9 of the Financial Services Act 2013, if you are applying for this insurance for a purpose related to your trade, business or profession, you have a duty to disclose any matter that you know to be relevant to our decision in accepting the risks and determining the rates and terms to be applied and any matter a reasonable person in the circumstances could be expected to know to be relevant, otherwise it may result in avoidance of your contract of insurance, refusal or reduction of your claim(s), change of terms or termination of your contract of insurance.
- The above duty of disclosure shall continue until the time your contract of insurance is entered into, varied or renewed with us.
- You also have a duty to tell us immediately if at any time after your contract of insurance has been entered into, varied or renewed with us any of the information given in this Proposal Form is inaccurate or has changed.

QBE Agency No.:  QBE Agency Name:

## PERIOD OF INSURANCE

From  To  (dd/mm/yyyy)

## A. PARTICULAR OF PROPOSER

Salutation: ☐ Mr ☐ Ms ☐ Miss ☐ Others (please specify)

Name of Proposer

Correspondence Address

Postcode  City

State  Country

Contact Number  Email

Occupation (if more than one please state all)

### 1. Personal Details (For Consumer Contract)

Gender ☐ Male ☐ Female Marital Status ☐ Married ☐ Single ☐ Divorced/ Widowed

Identification Number  ☐ New NRIC ☐ Passport ☐ Military IC ☐ Others

Handphone Number  Nationality

Date of Birth  (dd/mm/yyyy) Tax Identification No.

### 2. Business Details (For Non-Consumer Contract)

Tax Identification No.  Business Registration No.

SST Registration No.  Tel No. (Office)

Trade or profession or nature of business

How long has the business been established?

Situation to which this insurance applies

Clear 1

## B. GENERAL QUESTIONNAIRE

*Note: All questions must be answered by the proposer and appropriately marked (✓) where applicable*

1. What works of your business are to be insured against machinery loss of profit? (provide names and addresses of the works and their purposes)


*Note: Unless the material damage Policy on the Machinery is covered by us, loss of profit insurance will not be considered.*

2. Has the machinery to be insured been formerly covered by other insurance companies against machinery loss of profits?

☐

Yes

☐

No

*If YES, please name of Company*

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3. Since when has the works to be insured existed?


4. 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.


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


6. 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 machines.*


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

*State type of maintenance and intervals.*


8. Number of employees in the works to be insured?

*State No. of employees, No. employed for maintenance purposes and fluctuation (in %)*


9. Please state normal working hours of the works to be insured?

- per day  hours in  shifts
- per week  hours
- per year  days

10. 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.*


11. Is there a stock of semi finished or finished products?

☐

Yes

☐

No

*If YES, what period of interruption can be compensated thereby?*


Clear 2

**B. GENERAL QUESTIONNAIRE (Continuation)**

12. Are supplies furnished against letters of credit?

☐

Yes

☐

No

*If YES, please indicate the percentage such supplies have in the turnover*

13. In the case of machinery damage; is the interruption period longer than the repair period for the machinery involved?

☐

Yes

☐

No

*If YES, please indicate the cause and duration of such a delay*

14. 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, please indicate*

Item numbers of the machines to be insured

Power requirements of the works (kW, kWh p.a.)

Percentage 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

Please indicate the annual increased cost of electricity under question 19. (item 2)

15. In respect of question 14, are you subject to maximum demand charge per kW of external power?

☐

Yes

☐

No

*If YES, please indicate*

Maximum demand charge per kW of external power

Annual maximum demand charge for external power to be insured under question 19. (item 3)

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

Indicate the method of calculation (enclose copy of electricity supply contract).

Limit of indemnity for airfreight

16. 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. Please contact our branch nearest to you.

17. 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. Please contact our branch nearest to you.

**B. GENERAL QUESTIONNAIRE (Continuation)****18. Calculation of Sum Insured for Gross Profit**

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 and Loss Account.

The following calculation is based on the Profit and Loss Account of the Year

Commencement of business year		Currency	
Deductions from turnover (such as discounts granted to customer, rebates, price deductions)		Turnover	
Excise and turnover taxes		Expenditure incurred for external power, goods, raw materials and supplies used for maintenance	
Total expenditure incurred for external power, goods, raw materials and supplies		Company-manufactured additions to assets	
Others costs (such as carriages paid to other firms, customs duties, postage, turnover-dependent insurance premiums, licenses)		Reduction in Gross Profit due to damage incurred during the business year	
Inventory value of finished and semi-finished goods at the commencement of the business year		Inventory value of finished and semi-finished goods at the end of the business year	
Total		Total	
		Less	
		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 question 19.

**19. Summary of Insurance covers desired**

Item No.	Subject matter to be Insured	Sum Insured
1	Gross Profit	
2	Increase Cost of Electricity	
3	Maximum Demand Charges	
4		
5		

20. What time excess is desired? 2 days ☐ 4 days ☐ 7 days ☐ 14 days ☐

21. What is the maximum indemnity period required?  months

22. Name and address of chartered accountant who audits the accounting records and at what intervals.


23. Are your books regularly audited? ☐ Yes ☐ No

If YES, please state how often and name of auditor.


24. Please list the details of Plant and Machinery to be insured in the next page.

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

Please state number of incidences, duration and which machinery(ies) was(were) the cause, including name of insurance company, if insured.


Clear 4

**B. GENERAL QUESTIONNAIRE (Continuation)**

26. Name of Insurance company who is currently covering the machinery to be insured under a Machinery Breakdown policy. Please provide date of issue of the Machinery Breakdown policy.

27. Which Insurance company insures these works against

- Fire

- Fire Loss of Profits

28. Has any insurance company ever

a) declined your proposal	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b) refused to renew your policy?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
c) cancelled your policy?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
d) required an increased rate or imposed special terms on renewal?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

*If any answer above is YES, please give details.*

## C. DECLARATION AND SIGNATURE

### (i) Privacy Statement -

I understand that the personal data provided to purchase the above insurance will be used by QBE Insurance (Malaysia) Berhad to facilitate the performance of the function as an insurance company. I allow QBE Insurance (Malaysia) Berhad to collect, use and disclose my personal data to selected third parties in or outside Malaysia, in accordance with Privacy Policy Statement which is posted at our website [www.qbe.com/my](http://www.qbe.com/my).

☐ Yes

☐ No

### (ii) I/We do hereby declare that

1. I/We understand that it is my/our duty to take reasonable care not to make a misrepresentation in answering the questions in this Proposal Form and I/we hereby declare that I/we have fully and accurately answered the questions above.
2. I/we will accept the terms, exclusions and conditions which will be set out in the policy to be issued.
3. The liability of the Company does not commence until the application has been accepted.

☐ Yes

☐ No

(iii) I/We further agree that QBE Insurance (Malaysia) Berhad and/or its holding company can share and use my/our data and personal information for the purpose of promoting the Company's and/or its holding company's products, new services and support requirement; and marketing campaigns and activities and commercial transitions.

☐ Yes

☐ No

Signature of Applicant

Date

(dd/mm/yyyy)

Name Of Applicant

Name of Intermediary

Business Address & Telephone no.

## D. DECLARATION BY AGENT / BROKER / OFFICER (STAFF OF INSURANCE COMPANY)

- 1) In compliance with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, I hereby certify that the Applicant's original NRIC/Passport/Business Registration Certificate was verified and authenticated by me at the point of sales.
- 2) I/We have recommended this product being purchased by the proposer, based on the information disclosed and other relevant information which are made available to me/us. I/We have taken reasonable steps to ensure the advice is suitable to the customer for the purpose of insurance coverage.

Name

NRIC No.

Signature &  
Company Stamp

Date

(dd/mm/yyyy)

Clear 6

## E. SPECIFICATION OF REFRIGERATING PLANT

[illegible]

- |   |  |   |  |
|---|--|---|--|
| 1 | Each prime mover and machine should be listed separately. Spare machines should be designated as such and are to be included in the insurance cover. | 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.                      |
| 2 | Ratio between actual load and designed load (e.g. 80%)   | 5 | Reduction (per cent) of the loss of production by using machines not fully utilized or not utilized at all, carrying on production on other premises, etc. How long does it take to procure hired machinery? |
| 3 | Reduction (per cent of the gross profit in the event of failure of a machine (disregarding any loss minimizing possibilities).                       |   |  |

**Clear 7**