



**PROPOSAL FOR MACHINERY BREAKDOWN  
CONSEQUENTIAL LOSS INSURANCE**

**AGENT/ BROKER/ BRANCH/ADO**

Name	
Code No.	

**IMPORTANT: Please answer all questions. Failure to disclose material facts could result in your policy being invalidated. Material facts are those points which might influence the acceptance or assessment of your proposal. If you are in any doubt as to whether a fact is material you should disclose such facts as well.**

Please note that no cover is in force until confirmed by the Company in writing and the premium paid.

GENERAL INFORMATION (Please complete in BLOCK CAPITALS throughout and tick boxes where appropriate)

1. Full name of proposer(s) including Trading Name (if any)							
2. Postal Address							
3. NIC No./Passport No./ Business Registration Number				Preferred Language	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
					Sinhala	Tamil	English
4. VAT Registration number				SVAT Registration			
5. Contact details	Home		Office		Mobile		
	E-mail				Fax		
6. Location if machinery is installed different to the postal address							
7. Full description of business or trade or occupation carried on therein							

8. How long have you carried on business in the above premises or elsewhere :   
Please indicate if the premises are different to the above

9. In respect of the covers to which this proposal relates and any business in which you or any of your partners or directors are/have been engaged

(a) has any insurer ever declined a proposal, refused a renewal, terminated an insurance or imposed special terms?  Yes  No

If 'Yes', give details

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(b) Have any accidents, losses or claims arisen in respect of any of the insurance proposed whether previously insured or not?

Yes  No

If 'Yes', give details below :

Date of Occurrence	Details of Loss	Amount involved
.....	.....	.....
.....	.....	.....

10. Are your accounts audited regularly?

Yes  No

Give name and address and qualifications of auditor(s)

11. When does your financial year end?

12. Period of cover required (This period should be in line with the Machinery Breakdown policy)

From  To

13. Period for which indemnity is required :  consecutive months following the date of damage

14. 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:

15. 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.

16. What maintenance work and what inspections are carried out regularly to keep the machines to be insured in good working order? Please indicate the type of maintenance and intervals

17. Number of employees in the works to be insured : Total number

Number employed maintenance purpose

Fluctuation (in %)




18. Normal working hours of the works to be insured :

per day  hours in shifts

per week  hours

per year  days

19. Are there any seasonal production or sales fluctuations of more than 20% in the works to be insured?  Yes  No  
If so, please indicate monthly figures on a separate sheet or on the last page of the proposal form.

20. Is there a stock of semi-finished or finished products?  Yes  No  
If so, what period of interruption can be compensated thereby?

21. Are suppliers furnished against letters of credit?  Yes  No  
If so, please indicate on a separate sheet the percentage such suppliers have in the turnover?

22. In the case of machinery damage, is the interruption period longer than the repair period for the machinery involved?  Yes  No  
If so, please indicate the cause and duration of such delay.

23. Is the insurance to cover only the additional expenditure caused by using an external electric power supply in the case of break-down of machines in your own power generating plant? If so, please indicate:  Yes  No

a) Item numbers of the machines to be insured hereunder

b) Power requirements of the works (KW,Kwh p.a.)

c) Percentage of power requirement met by the factory generator

d) Extent (KW,Kwh p.a.) of current that maybe drawn from external power sources

e) Cost per Kwh of external power

f) Factory generating costs saved per Kwh if external power is used

g) Please indicate the annual increased cost of electricity under question 26(b)

h) If maximum demand charges are to be insured, please indicate the Maximum demand charge per KW of external power

i) Method of calculation (Please enclose copy of electricity supply contract)

j) Please indicate the annual maximum demand charge for external power to be insured under question 26(c)

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

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

**25. Calculation of the sum insured:**

The subject matter insured is the profit achieved by setting the goods manufactured in the works insured and the profit gain 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: \_\_\_\_\_

Deduction 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 supplies total)		Expenditure incurred for external power, goods, raw materials and supplies used for maintenance	
Other costs (such as carriages paid to other firms customers, outlets, postage turnover-dependent insurance premiums, licenses)		Company manufactured additions to assets	
Inventory value of finished and semi-finished goods at the commencements of business year		Reduction in gross profit due to damage incurred during the business year	
		Inventory value of finished and semi-finished goods at the end of the business year	
<b>Total</b>		<b>Total</b>	
		Less ----->	
If a separate indemnity period is desired for wages, places subdivide the sum insured accordingly and indicate the indemnity period desired for the item of wages under question 26		<b>Gross Profit</b>	
		<b>Safety margin for increase during the policy year</b>	
		<b>Sum Insured</b>	

**26. Summary of the insurance cover desired**

Item	Subject matter to be insured	Sum Insured
a	Gross Profit	
b	Increased cost of electricity	
c	Maximum demand charges	
d		
e		

27. What time excess is desired (minimum time excess 2 days)

**DECLARATION**

I/we declare that the information given in this proposal is to the best of my/our knowledge and belief correct and complete in every detail and will be the basis of the contract between me/us and Allianz Insurance Lanka Limited.

I/We hereby agree to receive via SMS and/or via e-mail to mobile number and/or email address provided by me/us here in above respectively for any digital marketing purpose/s and communication relevant information including special promotional offers of Allianz Insurance Lanka Limited / Allianz Life Insurance Lanka Limited.

I/We hereby grant my/our consent and authorize Allianz Insurance Lanka Limited/ Allianz Life Insurance Lanka Limited to verify the authenticity of the particulars relating to me/us as holder/holders of National Identity Card/s via the information system of the Department of Registration of Persons or any other validation method/system as applicable from time to time .

Should you wish to withdraw your consent please do so by visiting below link.

<https://digitalcustomer.allianz.lk/>

**Data Privacy**

Please ensure to go through the Privacy Notice (i.e. which explains how and what type of personal data will be collected, why it is collected and to whom it is shared or disclosed etc.) which is available on the Allianz Insurance Lanka Limited/ AllianzLife Insurance Lanka Limited official website <https://www.allianz.lk/data-privacy-notice.html> prior to signing of this form/ application/ document.

Date:

.....

Signature of the Proposer

**Notes relating to the Proposal for Business Interruption (following Machinery Breakdown) Insurance**

- 1. This insurance is available only if a Machinery Breakdown policy covering corresponding perils has been taken.
- 2. The amount of insurance required should be based on the most recent accounts available
- 3. The intention of the Policy is to pay for loss of gross profit which would have been earned during the period of interruption following the damage. The sum to be insured should therefore be fixed at a figure high enough to allow for any possible upward trend of business, expansion or inflation.

An Auditor's Certificate showing the actual gross profit earned should be submitted annually to the Company, and should this disclose that there has been over-insurance a Return of Premium will be made to the insured up to a maximum of 50% of the actual premium paid during the relative period of insurance.

The Policy is subject to a condition whereby, if sums insured are inadequate, any claim payment under the Policy will be proportionately reduced.

- 4. Indemnity Period is the maximum time expressed in months during which your business may be interfered with, following the damage. You should select a period sufficient to allow for rebuilding, repair or replacement of machinery, replacing lost customers and staff and building up sales turnover to the previously anticipated level.

If the Indemnity Period selected exceeds 12 months, the sums to be insured will need to be increased proportionately.

- 5. Working expenses are defined as those charges which vary directly in proportion to the business. It is advisable to consult your Accountant on the nature of these expenses.
- 6. A standing charge is a charge, expense or cost which normally continues to be payable in full, irrespective of the volume of Sales/Turnover or if variable, does not reduce in direct ratio to fall in sales/turnover.

**FOR OFFICE USE**

Rated by		Processed by		Credit Approved by	
Rate Approved by		Authorized by		Authorized Date	