

Questionnaire and Proposal for Loss of Profits following Machinery Breakdown Insurance

	Name	
	Postal address	
	Nature of business:	
1.	What works of your business are to be insured against Machinery Loss of Profits (names and addresses of the works, their purposes)?	
2.	What Company insures these works against	Fire? Loss of Profits?
3.	What company covers the machinery to be insured under a Machinery Breakdown 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No If so, What Company?
5.	What chartered accountant (name and address) audits the accounting records 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 present 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 type(s) Duration Due to machinery of item No.

10.	<p>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.</p> <p>(Please attach further sheets if necessary.)</p>	
11.	<p>What type of repair work can be carried out without external help?</p> <p>Please indicate external repair facilities for the individual machines in the list of machinery.</p>	
12.	<p>What maintenance work and what inspections are carried out regularly to keep the machines to be insured in order?</p>	<p>Type of maintenance and intervals</p>
13.	<p>Number of employees in the works to be insured.</p>	<p>Total number</p> <p>Number employed for maintenance purposes</p> <p>Fluctuation (in %)</p>

14.	Normal working hours of the works to be insured	per day per week per year	hours hours days	in shifts
15.	Are there any seasonal productions or sales fluctuations of more than 20% in the works to be insured?	[] Yes [] No If so, please indicate monthly figures.		
16.	Is there a stock of semi finished or finished products?	[] Yes [] No If so, what period of interruption can be compensated thereby?		
17.	Are supplies furnished against letters of credit?	[] Yes [] No If so, please indicate the percentage such supplies have in the turnover		
18.	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 a delay.		
19.	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? If so, please indicate: If maximum demand charges are to be insured:	[] Yes [] No Item numbers of the machines to be insured hereunder 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 23 (item 2). Maximum demand charge per kW of external power Method of calculation (Please enclose copy of electricity supply contract.) Please indicate the annual maximum demand charge for external power to be insured under question 23 (item 3). Percentage of deductible desired for maximum demand charges (minimum deductible 10%)		
20.		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.		
21		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 separate questionnaire.		
22.	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		

		<p>well as 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.</p> <p>Commencement of business year.</p> <p>Currency:</p>
	<p>Deductions from turnover (such as discounts granted to customers, rebates, price deductions)</p> <p>Excise and Turnover Taxes</p> <p>Expenditure incurred for external power, goods, raw materials and supplies, total</p> <p>Other costs (such as carriages paid to other firms, customs duties, postage, turnover dependent insurance premiums, licenses)</p> <p>Inventory value of finished and semi-finished goods at the commencement of the business year.</p> <p>Total</p> <p>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 item 23.</p>	<p>Turnover</p> <p>Expenditure incurred for external power, goods, raw materials and supplies used for maintenance</p> <p>Company manufactured additions to assets</p> <p>Reduction in gross profit due to damage incurred during the business year</p> <p>Inventory value of finished and semi-finished goods at the end of the business year.</p> <p>Total</p> <p>Less</p> <p>Gross profit</p> <p>Safety margin for increase during the policy year</p> <p>Sum Insured</p>
23.	Summary of the insurance covers desired	

Item No.	Subject matter to be insured	Sum insured
1	Gross profit	
2	Increased cost of electricity	
3	Maximum demand charges	
4		
5		
24	What time excess is desired? (minimum time excess 2 days)	[<input type="checkbox"/>] 2 days [<input type="checkbox"/>] 4 days [<input type="checkbox"/>] 7 days [<input type="checkbox"/>] 14 days
25.	When is the insurance to commence?	

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.

Executed at

Date

Signature

List of Machinery and Plant to be insured

Item No.	Qty	Description of machine or plant ¹ (designation, manufacturer, type, capacity, speed, number of cylinders, transmission ratio, voltage, pressure, temperature, heating surface, new replacement value, etc).	Year of manufacture	Load ²	Relative importance ³	Spare parts available, replacement period for machine or plant	Desired Indemnity period limit ⁴ (months)	Special remarks: Loss minimizing possibilities ⁵ , external repair facilities? Prototype? Remaining period of maker's guarantee? Teething troubles? Last inspection? Results thereof? Hazard of interruption being prolonged due to solidifying melt, long cooling or starting-up periods? Etc.

- 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
- ² Ratio between actual load and designed load (e.g.80%)
- ³ Reduction (per cent) of the gross profit in the event of failure of 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 utilized or not utilized at all, carrying on production on other premises, etc. How long does it take to procure hired machinery?