



TOKIO MARINE
INSURANCE GROUP

Fact Sheet

Loss of Profits following Machinery Breakdown

Machinery Breakdown Loss Of Profit (MBLOP) is a policy designed to provide coverage for financial loss resulting from a machinery breakdown. This policy must be issued concurrently with the Machinery Breakdown Insurance policy.

Coverage

MBLOP insurance provides cover for the loss of gross profits sustained as a result of a business interruption caused by material damage indemnifiable under Machinery Breakdown insurance.

The policy compensates for:-

- Loss of Gross Profit
- The continuing business expenses (standing charges) including the salaries and wages paid to employees
- The increase in cost of working, i.e. the additional expenditure necessarily and reasonably incurred for avoiding or diminishing a reduction in turnover

MBLOP insurance is of special interest for all “bottle-neck” equipment used in the field of power generation, e.g. boilers, steam turbines, generators, transformers, and for important process machinery such as paper machines, printing machines, presses, rolling mill equipment, refiners, crushers, compressors, pumps, etc., including their drives.

Basis Of Sum Insured

It should represent the gross profit obtained from the turnover of goods produced or handled in the course of your business for a period of twelve successive calendar months (i.e. normally for the business year).

Sum Insured = Annual Gross Profit

= Turnover + Closing Stock - Opening Stock - Variable Charges (Specified Working Expenses)

Increased in costs or working may also be covered under MBLOP insurance, for instance the additional expenditure incurred for the use of external power if your own power supply breaks down (additional cost of consumption of kilowatt hours and maximum demand charges for kilowatts in excess of normal requirement).

General Exclusions

You shall not be indemnified in respect of loss, damage or liability directly or indirectly caused by or arising out of or aggravated by:

- Loss or damage due to perils insured under the Fire policy
- Loss or damage due to the imposition of abnormal conditions directly or indirectly from testing, intentional overloading or experiments
- Loss or damage for which a supplier, contractor or repairer is responsible either by law or under contract
- Loss or damage caused by any faults or defects existing at the time of commencement of this policy within the knowledge of the insured or his representatives, whether such faults or defects were known to the Insurer or not
- War and kindred risks
- Wear and tear

Indemnity Period

The indemnity period is the maximum period allows for the premises to be rebuilt ,re-equipped and restored fully to normal conditions in every way. This period normally is 3 to 12 months - is determined by you depending upon the replacement period for the machinery to be insured.

Payment of Premium

- Premium must be made to your insurance intermediary or direct to us within 60 days from the inception of this Policy.
- Payment can be made by cash, credit card or cheques (cheques should be made in favour of our company).

- Insist on a receipt for the premium paid
- Contact us if you have not received the insurance policy after one month of purchase.

Duty of Disclosure

You are to disclose all material facts that you know or ought to know; otherwise this policy may be invalidated.

Contribution

If at the time of any loss or damage to the property there be any other subsisting insurance or insurances effected by you or your family members covering the same, we shall not be liable to pay or contribute more than its rateable proportion of such loss or damage.

Time Excess

It is the number of days of the loss you have to bear for each and every claim.

WHAT YOU SHOULD DO In The Event Of Injury

Notification of Claim

- You must notify us in writing with full details of the incident/accident as soon as possible within the time frame stipulated in your policy. Early notification is required to avoid any prejudice to your claim. Lodge a police report immediately if involving theft, accident and/or injury to third party.

Submission of Claim

- You must submit your claim with all supporting information and documents as requested to us and give full cooperation to the adjusters appointed by us in assessing your claim.

Duty of Disclosure of Claim Information

- You must provide answers to the Claim Form truthfully as any misrepresentation or concealment will prejudice your claim.

HOW TO LODGE A Complaint And Redress Avenues Available



Write to either :

1. the Integrated Contact Centre of Bank Negara Malaysia via bnmtelelink@bnm.gov.my; or
2. the insurance mediator of the Financial Mediation Bureau.

Alternatively, you could walk in to lodge a complaint at BNMLINK (please refer to www.bnm.gov.my/bnmlink/index.htm) or you could take your case to court.

For more information about Tokio Marine and our products and services, please log on to our website www.tokiomarine.com.

Tokio Marine Insurans (Malaysia) Berhad is licensed under the Financial Services Act 2013 and regulated by Bank Negara Malaysia.

