

PRODUCT DISCLOSURE SHEET



LONPAC INSURANCE BHD (307414-T)

(Please read this Product Disclosure Sheet before you decide to take out the **Machinery** insurance. Be sure to also read the general terms and conditions.)

Machinery

1 January 2010

1. What is this product about?

This policy provides cover for loss or damage to your machineries from causes not specifically excluded.

2. What are the covers / benefits provided?

This policy covers loss or damage to your machineries from causes not specifically excluded in the policy.

The common perils covered are:

- defects in casting and material
- faulty design
- faults at workshop or erection
- bad workmanship
- lack of skill
- carelessness or error in operations
- shortage of water in boilers
- physical explosion
- short circuit
- storm

Duration of cover is for one year. You need to renew your cover annually.

3. How much premium do I have to pay?

The premium you have to pay may vary depending on the type, condition and nature of the use of your machineries, and our underwriting requirements.

4. What are the fees and charges that I have to pay?

- | | |
|--|---|
| <ul style="list-style-type: none">• Commission to the insurance agent• Service tax (for business entity)• Stamp duty | <ul style="list-style-type: none">• Up to 15%• 5%• RM10 |
|--|---|

5. What are some of the key terms and conditions that I should be aware of?

- Duty of disclosure - You must disclose all material facts which you know or ought to know. You must ensure that the proposal form and/or accompanying questionnaire is completed accurately as these form the basis of the insurance contract.
- Sum insured - You must ensure that the machineries are insured at the appropriate amount, which means the replacement-as-new cost of each machinery.
- Claims - Upon the happening of an incident which gives rise to a claim, you shall notify us immediately.

Note:

This list is non-exhaustive. Please refer to the policy contract for the full list of terms and conditions under this policy.

6. What are the major exclusions under this policy?

This policy does not cover:

- Exchangeable tools or items of high wear and tear, and operating media
- Loss/damage arising from fire, lightning, chemical explosion, fire extinguishing, impact by aerial devices, theft, burglary, collapse of buildings, flood, inundation, earthquake, subsidence, landslide, avalanche, hurricane, cyclone, volcanic eruption, and natural catastrophes
- Loss/damage where the supplier, contractor or repairer is responsible
- Known pre-existing faults or defects
- Willful acts or gross negligence
- Loss/damage to computer software
- Any consequences of war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, civil commotion, military or usurped power
- Nuclear reaction, nuclear radiation or radioactive contamination
- Consequence of continual influence of operation
- Consequential loss or liability
- Terrorism

Note:

This list is non-exhaustive. Please refer to the policy contract for the full list of exclusions under this policy.

7. Can I cancel my policy?

You may cancel the policy at any time by giving written notice to us. Upon cancellation, any refund of the premium would be based on the conditions stipulated in the policy contract.

8. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

9. Where can I get further information?

If you have any enquiries, please contact us at:

**Customer Service Department
Lonpac Insurance Bhd
LG Floor, Bangunan Public Bank
6 Jalan Sultan Sulaiman
50000 Kuala Lumpur
Tel : 03 2262 8688
Fax : 03 2715 1332
E-mail : customerservice@lonpac.com**

Authorised agent:

10. Other types of Machinery insurance available

None

IMPORTANT NOTE:

YOU MUST ENSURE THAT YOUR PROPERTY IS INSURED AT THE APPROPRIATE AMOUNT. YOU SHOULD READ AND UNDERSTAND THE INSURANCE POLICY AND DISCUSS WITH THE AGENT OR CONTACT US DIRECTLY FOR MORE INFORMATION.