

Machinery insurance

Insurance product information document

AS LHV Kindlustus, registered in the Republic of Estonia



This information document provides a general overview of machinery insurance. This document does not include all insurance contract terms based on the insurable interest and requirements. Full information, including pre-contractual information and terms and conditions of the contract, is set out in other documents, such as the insurance offer, the terms and conditions of machinery insurance and the insurance policy.

What type of insurance is this?

Machinery insurance offers insurance protection against machinery becoming damaged, destroyed or lost due to an unforeseen and unforeseeable event described in the terms and conditions. Such situations may be a traffic accident or other accident, vandalism, fire, theft of machinery, or damage caused as a result of other events. Machinery insurance may be referred to by other terms and variations such as self-propelled machinery insurance, work machinery insurance and CPM (Contractor's Plant and Machinery Insurance).



What is insured?

The insured object is the machinery or equipment (hereinafter referred to as machinery) specified in the policy. It has to be in working order. Either the machinery at the level of completeness determined by the manufacturer or components thereof can be insured.

An insured event is an unforeseen and unforeseeable event that incurs for the insurer an obligation to perform the insurance contract. Damage caused by the following is compensated:

- ✓ fire and explosion
- ✓ storm
- ✓ vandalism
- ✓ theft and robbery
- ✓ traffic accident
- ✓ impact with obstacle or motionless object
- ✓ collision with moving or standing machinery or any other motor vehicle
- ✓ loading and unloading of machinery
- ✓ capsize, including severe heeling

In addition, additional risks can be selected for coverage:

- ✓ internal fault coverage
- ✓ tyre coverage
- ✓ monetary compensation for interruption of use
- ✓ liability insurance



What is not insured?

The insurer will not insure or compensate losses if:

- ✗ the damage was caused as a result of low levels or leak of oil, coolant or other fluid; deficient oiling or lubrication; substandard or incorrect fuel, oil or fluid or use thereof
- ✗ the damage was caused during use of the insured object for a purpose it was not intended for or as a result of use in unusual conditions and as a result of making prohibited alterations to the machinery or exceeding the allowed limit and overloading the machinery
- ✗ the damage was caused while towing or hauling the insured object with an unsuitable motor vehicle or trailer or unsuitable or insufficient coupling of the object while towing
- ✗ the damage was caused by the policyholder or a person they were responsible for while under the influence of alcohol or a narcotic, intoxicating or psychotropic substance
- ✗ the damage was incurred by the insured object due to being on an aircraft, watercraft or floating device
- ✗ the damage does not influence the use of the insured object for the intended purpose, such as scratches, pitting, stains, dents, tears, change in colour, etc.

This list is not exhaustive. Detailed terms and conditions can be found in the insurance policy and terms and conditions of insurance.



Are there limitations to insurance coverage?

The exact extent of coverage is agreed in the insurance contract.

Limitations on coverage stem from the product and are described in the terms and conditions for each product and the policy. For example, the following is not compensated:

- ! the deductible part of the damage incurred
- ! damage caused by client's deliberate intent or gross negligence
- ! damage for which the manufacturer, seller, installer, lessor or lessee is liable on the basis of contract or legislation
- ! damage caused by ordinary wear and tear or failure due to material fatigue caused in the course of normal use of the insured object without external influence

This list is not exhaustive. Detailed terms and conditions can be found in the insurance policy and terms and conditions of insurance.



Where am I insured?

- ✓ The coverage is valid on the territory specified on the insurance policy. The most common territory for insurance coverage is Estonia.



What are my obligations?

- Pay the premiums by the due date and in the amount specified in the policy
- Read thoroughly the insurance contract and terms of insurance
- Notify LHV of risk factors and changes in them, such as the main purpose of use of the machinery and any changes to it
- Operate the machinery carefully and pursuant to the instructions and/or restrictions set forth by the manufacturer, traffic rules and traffic legislation
- Report insured events promptly, as soon as possible
- Preserve damaged machinery and other assets in the condition they were in after the event, until you receive further instructions from LHV
- Notify LHV immediately of change of owner or of the user responsible



When and how do I pay?

Pay the premium and instalments thereof in the amount and by the due date shown in the policy, via transfer or using an e-invoice standing order agreement. If the contract is considered concluded as of payment of the first premium, the offer will specify the due date.



When does insurance coverage begin and end?

Coverage begins and the insurance contract comes into force on the insurance period start date. Coverage expires at the end of the insurance period.

Coverage may end before the end of the insurance period specified in the contract. The insurer may terminate the contract if the premium is unpaid.

A contract with automatic renewal is extended for a successive insurance period unless the policyholder expresses a different intent and notifies the insurer thereof.



How can I cancel the insurance contract?

If you have concluded the insurance contract over a communication device, you have the right to withdraw from the contract within 14 days. To do so, send a request in a form reproducible in writing by email to kindlustus@lhv.ee. If you withdraw from the insurance contract, LHV will refund the paid insurance premiums. If LHV has granted immediate insurance coverage, however, you do not have the right of withdrawal.

If you have entered into an insurance contract for longer than one year, you have the right to withdraw within 14 days of entering into the contract. To do so, submit a request in a form reproducible in writing to LHV. If you withdraw from the insurance contract, LHV will refund the paid premiums.

By agreement between the parties, an insurance contract may be cancelled at any time before the end of the insurance period. To do so, email a request in a form reproducible in writing to LHV at kindlustus@lhv.ee, stating the name and bank account number of the person to whom paid premiums are to be refunded. If you do not specify the insurance contract end date in the request, LHV will cancel the contract effective the day after delivery of the request.

If the insurance contract is cancelled in the middle of the insurance period, LHV will refund the unearned part of the premiums.

To cancel the contract, you must submit a request to the insurer.

Ordinarily, a contract can be cancelled prematurely only by agreement between the policyholder and insurer. Under extraordinary conditions, a contract can also be cancelled with good reason, such as if the machinery was stolen or the contract under which you used the machinery expired.