

Machinery insurance

Insurance product information document

AS LHV Kindlustus, registered in the Republic of Estonia



The information document provides a general overview of machinery insurance. This document does not contain all the terms and conditions of the insurance contract based on insurance interest and requirements. The complete information, including pre-contractual information and contract terms and conditions, is provided in other documents, such as the offer, the Terms and Conditions of Machinery Insurance and the insurance policy.

What type of insurance is this?

Machinery insurance provides insurance coverage if the machinery is damaged, destroyed or lost due to an unexpected and unforeseen event described in the conditions. Such situations may include a traffic accident or other accident, vandalism, fire, natural disaster, theft of the machinery, and damage caused by other events. Machinery insurance is also termed non-road mobile machinery insurance, and machinery insurance can also be abbreviated as CPM (contractor's plant and machinery insurance).



What is covered?

The insured object is the piece of equipment specified in the policy: a piece of non-road mobile machinery, tractor, trailer or coupling device, a special-purpose machine or device at the level of completeness specified by the manufacturer.

An insured event is an unexpected and unforeseen event, upon the occurrence of which the insurer has an obligation to perform the insurance contract. Damage caused by the following is indemnified:

- ✓ fire and explosion
- ✓ storm
- ✓ vandalism
- ✓ theft, TWOC and robbery
- ✓ traffic accident
- ✓ collision with obstacle or stationary object
- ✓ collision with moving or stationary mobile machinery or any other motor vehicle
- ✓ loading and unloading the machinery

In addition, coverage of additional risks can be selected:

- ✓ rollover or tipping
- ✓ sinking into or becoming trapped in earth and damage when being extracted or pulled on to the road
- ✓ falling into a ditch or trench and damage occurring when being lifted up or out
- ✓ a tree or other object falling on the machine
- ✓ any other unexpected and unforeseen event not excluded by the conditions

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



What is not covered?

The insurer shall not insure or indemnify for damage if:

- ✗ the damaged object is not eligible to be insured
- ✗ the incident is not considered an insured event
- ✗ the incident is not unexpected and unforeseeable
- ✗ damage caused to machinery working underground or component thereof regardless of the incident and cause (including part of the machinery becoming trapped underground and expenses for bringing the component to the surface or abandonment thereof, etc.)
- ✗ damage to or destruction of the machinery on an aircraft or watercraft or on a floating craft (raft, pontoon, etc.), as well as damage caused by the capsize of the floating craft (including sinking of the machine – i.e., to the bottom of a body of water)
- ✗ damage caused by the use of a motor vehicle or trailer unsuitable for towing or transport or by unsuitable fastening of the machinery when being towed on a motor vehicle or trailer
- ✗ damage caused by improper, incorrect or unusual use of the machine
- ✗ the insured event was caused by another exclusion provided for in the insurance contract or insurance conditions.

The list is not exhaustive. More detailed conditions are provided in the insurance policy and insurance conditions.



Are there limitations on insurance coverage?

Limitations on insurance coverage stem from the product and are described in the product conditions and the policy, for example, the following is not reimbursed

- ! the deductible (excess) part of the damage incurred
- ! damage caused through the customer's intent or gross negligence
- ! damage for which the manufacturer, seller, installer, maintenance provider, lessor or lessee of the machinery is liable under contract or law
- ! damage caused by long-term processes such as

corrosion, formation of particles and deposits, lime scale, exposure to chemical compounds and substances, excessive moisture, etc.

The list is not exhaustive. More detailed conditions are provided in the insurance policy and insurance conditions.



Where am I insured?

- ✓ The insurance coverage is valid in the territory specified in the insurance policy. The most common territory of insurance coverage is Estonia.



What are my responsibilities?

- Insurance premiums are to be paid by the due date and in the amount specified in the policy.
- Read the insurance contract and insurance conditions thoroughly.
- Inform LHV of any risk circumstances and any changes in them, such as the primary use of the machine and any change in same.
- Operate the insured machinery carefully and in accordance with the instructions and/or restrictions set out by the manufacturer, the traffic regulations and the Road Traffic Act.
- Provide notice about the occurrence of an insured event immediately and as soon as possible.
- Preserve the damaged machinery and other property in its post-accident condition until receiving instructions from LHV.
- Notify LHV immediately of any change in the owner or responsible user of the machine.



When and how do I pay?

Pay the insurance premium or instalments thereof in the amount and by the due date specified in the policy by bank transfer on the basis of the invoice or by e-invoice standing order. If the contract is deemed to have been concluded upon payment of the premium, the offer shall indicate the time within which the premium must be paid.



When does the insurance coverage start and end?

The insurance coverage begins and the insurance contract enters into force on the start date of the insurance period. The insurance coverage expires at the end of the insurance period.

The insurance coverage may end before the end of the insurance period specified in the contract. For example, an insurer may terminate a contract if the premium has not been paid.

An automatically renewed contract is extended for the next insurance period, unless the policyholder expresses a different intention and notifies the insurer thereof.



How can I terminate the insurance contract?

If you concluded the insurance contract by electronic means, you have the right to withdraw from the contract within 14 days of concluding it. To do so, submit an application to LHV in a form that can be reproduced in writing by e-mail to kindlustus@lhv.ee. If you withdraw from the insurance contract, LHV will refund the paid insurance premium. If LHV has provided insurance coverage with immediate effect, the right of withdrawal does not apply.

If you concluded the insurance contract for more than one year, you have the right to withdraw from the contract within 14 days of concluding it. To do so, submit an application to LHV in a form that can be reproduced in writing. If you withdraw from the insurance contract, LHV will refund the paid insurance premium.

The insurance contract may be terminated at any time before the end of the insurance period by agreement between the parties. To do so, submit an application to LHV to the e-mail address kindlustus@lhv.ee in a form that can be reproduced in writing, specifying the name of the recipient of the refund of the paid insurance premium and their bank account number. If you do not indicate the end date of the insurance contract in your application, LHV will terminate the contract on the day after delivery of the application.

If the insurance contract is terminated after the insurance period has already started, LHV will refund the unearned part of the insurance premium.

Usually, the contract can be terminated prematurely only by agreement between the policyholder and the insurer. In exceptional cases, the contract can be terminated with a good reason. For example, if the machinery was stolen or if the contract under which you used the machine expired.