

Underwriting & Risk Assessment Report

REPORT CONTROL INFORMATION

Report Reference	UW-2024-10-22-COM-5478	Assessment Date	22 October 2024
Underwriter	Michael Thompson	Status	Approved with Conditions
Broker	Metropolitan Risk Solutions Pty Ltd	Decision Due	05 November 2024

SECTION 1: APPLICANT INFORMATION

1.1 ENTITY DETAILS

Legal Entity Name	Precision Manufacturing Solutions Pty Ltd
Trading Name	PMS Engineering Division
ABN	45 678 901 234
Business Address	Unit 5-7, 185-195 Newton Road, Wetherill Park NSW 2164

1.3 FINANCIAL OVERVIEW (FY 2023-24)

Annual Revenue	\$18,750,000	Net Profit After Tax	\$1,312,500
Total Assets	\$12,450,000	Current Ratio	2.1:1
Credit Rating	Dun & Bradstreet: Risk Rating 1 (Low Risk)		

Management Assessment: Strong, experienced management team with relevant industry qualifications and tenure.

1.4 BUSINESS OPERATIONS

Specializes in high-tolerance metal components for construction, mining, and agricultural machinery. Core capabilities include CNC machining, fabrication, welding, and assembly.

SECTION 2: RISK LOCATION ASSESSMENT

2.1 PRIMARY LOCATION DETAILS

Site Address	Unit 5-7, 185-195 Newton Road, Wetherill Park NSW 2164		
Construction	Precast concrete tilt-up walls, Trimdek steel roof, 200mm reinforced concrete slab.		
Building Age	Built 2005 (Refurbished 2018)	Condition	Excellent

2.2 RISK FEATURES & HAZARDS

Security	2.4m security fencing, 16 CCTV cameras, and SecureGuard monitored alarm.
Fire Protection	ESFR sprinkler system, 48 addressable detectors, and 42 extinguishers.
HazMat	800L flammable liquids in compliant cabinets; external gas cage for welding gases.

2.3 NATURAL HAZARD EXPOSURE

Flood Risk	Low - Site above 1% AEP flood level.	Bushfire Risk	Low - BAL-Low.
Wind/Storm	Moderate - Sydney Basin standard exposure.		

SECTION 3: MACHINERY & EQUIPMENT ASSESSMENT

Equipment Category	Value	Age Profile
CNC Machining Equipment	\$4,200,000	65% < 5 years
Fabrication Equipment	\$1,450,000	30% 5-10 years
Welding & Robotics	\$380,000	Various
Measurement & Inspection	\$420,000	Modern
TOTAL REPLACEMENT VALUE	\$6,850,000	

SECTION 4: BUSINESS INTERRUPTION ASSESSMENT

UNDERINSURANCE ALERT: Client requested \$3.5M cover while recommendation is \$10.5M.

Revenue Impact: A major fire could cause 70-80% revenue loss during a 9-12 month rebuild period. The client's requested sum covers only 4 months of equivalent gross profit.

4.2 CONTINGENCY PLANNING

- Subcontractor network available for 30-40% capacity.
- Established relationships with OEM suppliers for emergency repairs.

SECTION 5: LOSS HISTORY (PAST 5 YEARS)

Date	Type	Paid	Outcome
Nov 2023	Accidental Damage	\$11,800	Staff retrained.
Aug 2022	Theft	\$33,500	Security upgraded.
Mar 2021	Minor Fire	\$7,500	Hot work permits.

5-Year Loss Ratio: 42% (Favorable).

SECTION 6: RISK RATING & UNDERWRITING DECISION

OVERALL RISK SCORE: 7.95 / 10

GOOD RISK

6.2 INDICATIVE PREMIUM (ANNUAL)

Section 1: Material Damage	\$22,185
Section 2: Business Interruption	\$98,000
Section 3: General Liability	\$4,500
TOTAL INDICATIVE PREMIUM	\$124,685

*Excluding GST and government charges.

SPECIAL CONDITIONS & WARRANTIES

- Hot work permits required for all welding/cutting.
- Annual fire protection system testing certificates.
- Maintain ISO 9001:2015 certification.

Underwriter: Michael Thompson, Senior Commercial Underwriter

Approved By: David Chen, Chief Underwriting Officer