# Digit Advance Loss of Profit Insurance (Commercial)

## Policy Wordings

## UIN: IRDAN158CP0020V02202021

### PREAMBLE & OPERATIVE CLAUSE

In consideration of the Insured named herein paying to GO DIGIT GENERAL INSURANCE LIMITED (herein after called the Insurer/Company), the premium as stated in the Policy Schedule and realization thereof by the Insurer and in reliance upon the statements made by the Insured in the Proposal and Declaration, the Insurer hereby agrees to indemnify the Insured named as Principal in respect of loss of gross profit actually sustained due to the reduction in turnover and the increased cost of working as defined in this policy, if at any time during the Policy Period stated in the Policy Schedule any or all the Insured Items suffer loss or damage covered and admitted under the underlying Erection All Risk or Contractor's All Risk - Material Damage Section of the Policy Number mentioned in the Policy Schedule, unless specifically excluded, thereby causing an interference in the erection and/or construction work and/or testing schedule resulting in a delay of commencement of and/or interference with the insured business, hereinafter referred to as "the delay".

The amount payable as indemnity hereunder shall be:

- **In respect of loss of gross profit:** the sum obtained by applying the rate of gross profit to the amount by which the actual turnover during the indemnity period falls short of the turnover which would have been achieved had the delay not occurred;
- **In respect of increased cost of working:** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, without such expenditure, would have taken place during the indemnity period, but not exceeding the sum obtained by applying the rate of gross profit to the amount of the reduction in turnover thereby avoided.

Provided that if the Sum Insured be less than the sum produced by applying the Rate of Gross Profit to (where the Indemnity Period exceeds 12 months insert "times" as may be appropriate e.g. for 18 months insert one and a half times) the Annual Turnover, the amount payable shall be proportionately reduced.

### DEFINITIONS

1. **Annual Gross Profit** means the amount by which the value of the annual turnover and the value of closing stock exceeds the value of the opening stock and the amount of the specified working expenses. The value of the opening and closing stock shall be calculated in accordance with the insured's normal accounting methods, due provision being made for depreciation.
   Specified working expenses shall be any costs incurred for the acquisition of goods, raw materials or auxiliaries as well as for supplies and services (unless required for the upkeep of operations) and any costs for packaging, carriage, freight, intermediate storage, turnover tax, purchase tax, licence fees and royalties for inventors, etc., insofar as such costs are dependent on turnover.
2. **Annual Turnover** means the turnover which, had the delay not occurred, would have been achieved during the 12 months after the scheduled date of commencement of the insured business.
3. **Indemnity Period** means the period during which the results of the business are affected in consequence of the delay, beginning on the scheduled date of commencement of the insured business and not exceeding the maximum indemnity period stated in the Schedule to this Policy.
4. **Policy Period** means the Period stated in the Policy Schedule, terminating on the date specified in the Policy Schedule or on any earlier date when the Material Damage cover ceases.
5. **Rate of Gross Profit** means the rate which, had the delay not occurred, would have been earned on the turnover during the indemnity period.

6. **Scheduled date of commencement of the insured business** means the date stated in the Policy Schedule or any revised date upon which the business would have commenced had the delay not occurred.
7. **Time Excess** means the period stated in the Policy Schedule for which the insurers are not liable. The corresponding amount shall be calculated by multiplying the average daily value of loss sustained during the indemnity period by the number of days agreed upon as time excess.
8. **Turnover** means the amount of money (less discounts allowed) paid or payable to the Insured for goods, products or services sold, delivered or rendered or accommodation rented in the course of the insured business conducted at the premises.

## EXCLUSIONS

The Insurers shall not be liable for:

1. loss of gross profit and/or increased cost of working due to any delay caused by or resulting from
   1.1. loss or damage covered under Material Damage Policy by way of endorsement, unless it has been specifically agreed in writing;
   1.2. earthquake, volcanic eruption, tsunami, unless it has been specifically agreed in writing;
   1.3. loss of or damage to surrounding property, construction machinery, plant and equipment;
   1.4. loss of or damage to operating media or feedstock, shortage, destruction, deterioration of or damage to any materials necessary for the insured business;
   1.5. any restrictions imposed by a public authority;
   1.6. non-availability of funds;
   1.7. alterations, additions, improvements, rectification of defects or faults or elimination of any deficiencies carried out after the occurrence
2. Loss of or damage to items taken over or taken into use by the insured or for which the cover under Erection All Risk or Contractor's All Risk – Material Damage Policy has ceased.
3. Any loss due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature;
4. loss of business due to causes such as suspension, lapse or cancellation of a lease, licence or order, etc. which occurs after the date of actual commencement of the business;
5. loss of or damage to erection and/or construction work of a prototype nature, unless specifically agreed by endorsement.
6. **Terrorism Damage Exclusion Warranty**
   This Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
   For the purpose of this exclusion, an act of terrorism means an act or series of acts, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), or unlawful associations, recognized under Unlawful Activities (Prevention) Amendment Act, 2008 or any other related and applicable national or state legislation formulated to combat unlawful and terrorist activities in the nation for the time being in force, committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear for such purposes.
   This exclusion also includes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.

## APPLICABLE PROVISIONS

**Memo 1 – Extension of Period**

Any extension of the Policy Period under Erection All Risk or Contractor's All Risk Policy shall not automatically lead to an extension of the Policy Period stated in the Policy Schedule.

Any extension of the Policy Period under this Policy shall be requested in writing as early as possible by the Insured, stating the circumstances leading to the need for extension, and shall have effect for this Policy only if specifically agreed upon in writing.
Any alteration of the scheduled date of commencement of the insured business shall be reported and shall have effect for this policy only if specifically agreed upon in writing.

**Memo 2 – Basis of Loss Settlement**

In calculating the rate of gross profit and annual turnover, the following points shall in particular be taken into consideration:

a) the results of the insured business for the 12-month period after commencement of commercial operations,
b) variations and special circumstances which would have affected the insured business had the delay not occurred,
c) variations and special circumstances affecting the insured business after commencement of commercial operations, so that the final figures represent as closely as may be reasonably practicable the results which the insured business would have obtained after the scheduled date of commencement of commercial operations had the delay not occurred.

**Memo 3 – Return of Premium**

If the Insured declares (certified by the Insured's auditors) that the gross profit earned during the accounting period of twelve months following the commencement of the insured business or the date on which but for the delay the business would have commenced was less than the sum insured thereon, a pro rata return of premium not exceeding one third of the premium paid shall be made in respect of the difference.
If any loss or damage has occurred giving rise to a claim under this Policy, such return shall be made in respect only of so much of said difference as is not due to such damage.

## CONDITIONS

1. The Policy and Policy Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or the Policy Schedule shall bear such specific meaning wherever it may appear.
2. The Insured shall present the Company with updated progress reports of implementation of the project at intervals stated in the Policy Schedule.
3. In the event of any material change in the original risk such as:
   - Changes of the envisaged progress programme, testing procedure, etc.
   - Alteration, modification or addition to any item of machinery or work, etc.
   - Departure from prescribed construction or operation conditions
   - Changes in the Insured's interest (such as discontinuation or liquidation of the business or its being placed in receivership) taking place,

   the Policy shall be void unless its continuance be agreed by memorandum signed by the Company.
4. In the event of any occurrence which might cause a delay and give rise to a claim under this policy:
   a. The Insured shall immediately notify the Company in writing thereof within forty-eight hours of the occurrence;
   b. The Insured shall do and concur in doing and permit to be done all such things as may be reasonably practicable to minimize or establish the extent of any interference with the erection work and/or construction work and/or testing schedule so as to avoid or diminish any delay resulting therefrom.
   c. The Company and every person authorized by the Company shall, without prejudice to any party insured by this Policy, have access to the erection and/or construction site where such loss or damage has occurred for the purpose of direct negotiation with the responsible contractor or subcontractor in order to establish the possible cause and extent of the loss or damage, its effect on the insured items, to examine the possibilities for minimizing any delay

to the scheduled date of commencement of the insured business, and if necessary to make any reasonable recommendations for the avoidance or minimization of such delay.

This condition shall be evidence of the leave and license of the Insured to the Company so to do If the Insured or anyone acting on the Insured's behalf hinders or obstructs the Company during any of the abovementioned acts or does not comply with such recommendations of the Company, all benefits under this Section shall be forfeited.

5. In the event of a claim being made under this Policy, the Insured shall at the Insured's own expense deliver to the Company not later than thirty days after the delay or within such further periods as the Company may allow in writing a written statement setting forth particulars of his claim. Furthermore, the Insured shall at his own expense produce and furnish to the Company such books of account and other business books, e.g. invoices, balance sheets and other documents, proofs, information, explanations or other evidence as may reasonably be required by the Company for the purpose of investigating or verifying the claim, together with - if required - a statutory declaration of the truth of the claim and of any matters connected therewith.
6. The indemnity shall be payable one month after final determination of its amount.

   Notwithstanding the above, the Insured may, one month after the Company have been duly notified of the loss and have acknowledged their liability, claim as advance payment(s) the minimum amount(s) payable under the prevailing circumstances.

   The Company shall be entitled to postpone payment:
   a. If there are doubts as to the Insured's right to receive payment, until the necessary proof is furnished;
   b. If, as a result of any loss or damage or any delay to the anticipated date of commencement of the insured business, police or criminal investigations have been initiated against the Insured, until the completion of such investigations the Company shall not be liable to pay interest on indemnity moneys withheld.
7. The Insurers shall have free access to inspect the books of accounts of the insured.
8. If at any time any event shall occur materially affecting the risks insured hereunder the Insured shall give notice in writing to the Insurers immediately,
9. Every letter, claim, summons and legal process pertaining to the coverage offered under this Policy and the insured items covered hereunder shall be notified or forwarded to the Insurers immediately. Notice shall also be given to the Insurers immediately after the Insured shall have knowledge of any impending prosecution, inquest or enquiry in connection with any such occurrence as aforesaid. In case of claim or generally, the Insurers may be contacted at the E-mail ID, Customer Care Number or address mentioned in the Policy Schedule.
10. The Insurers may after admission of liability pay to the Insured the maximum indemnity amount on receiving the documentary evidence and thereafter the Insurers shall not be under any further liability to the Insured in respect of such claim.
11. In the event of a claim, if there exists any other policy in favour of the Insured for the same subject matter of insurance, the Insurers shall not pay more than its rateable proportion of such claim.
12. **Policy Cancellation:**

    **Cancellation by Insured**: This insurance may be terminated at any time at the request of the Insured, in which case the Company will retain the premium at customary short period rate mentioned in the table below for the time the policy has been in force, subject to 'No Claim' under the Policy during the period of insurance.

| Policy In Force | Premium Retention |
|---|---|
| For a period not exceeding 15 days | 10% of the Annual Rate |
| For a period not exceeding 1 month | 15% of the Annual Rate |
| For a period not exceeding 2 months | 30% of the Annual Rate |
| For a period not exceeding 3 months | 40% of the Annual Rate |
| For a period not exceeding 4 months | 50% of the Annual Rate |
| For a period not exceeding 5 months | 60% of the Annual Rate |

| | |
|---|---|
| For a period not exceeding 6 months | 70% of the Annual Rate |
| For a period not exceeding 7 months | 75% of the Annual Rate |
| For a period not exceeding 8 months | 80% of the Annual Rate |
| For a period not exceeding 9 months | 85% of the Annual Rate |
| For a period exceeding 9 months | Full Annual Rate |

**Cancellation by Insurer:** This insurance may also at any time be terminated at the option of the Company, on 15 days' notice to that effect being given to the Insured on ground of mis-representation, fraud, non-disclosure of material facts and non-co-operation by the insured and there would be no refund of premium.

13. The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy.
    Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.
14. The Insurers shall not be liable to make any payment under this Policy in respect of any claim if such claim shall be in any manner fraudulent or supported by any statement or device whether by the Insured or by any person on behalf of the Insured if the insurance have been continued in consequence of any material mis statement or non-disclosure of any material information by or on behalf of the Insured.
15. The Insurers shall be entitled in the name of the Insured to have absolute conduct and control of all or any proceedings that it considers necessary for the purpose of securing reimbursement in respect of insured items and the Insured shall at the Insurer's expense furnish all such assistance as may reasonably be required by the Insurers in connection with such proceedings. The Insurers shall be entitled to take over and conduct in the name of Insured the defense or settlement of any claim in the name of Insured for its own benefit in pursuance of any remedies to which the Insurers shall be or would become entitled or subrogated upon its indemnifying the Insured. The Insurers shall have full discretion in conduct of any proceedings and in settlement of any claim and the Insured shall give all such assistance and information as the Insurers may require.
16. The Insured understands that if a proposal has been completed for this insurance, then the statements and all particulars provided in such proposal, and any attachments thereto, are material to the Insurer's decision to provide this insurance. The Insured further understands that the Insurer will, in its sole discretion, issue this Policy in reliance upon the truth of such statements and particulars.
17. **CUSTOMER GRIEVANCE REDRESSAL POLICY**

    We hope that We never leave You dissatisfied. However, if You ever wish to lodge a complaint, please feel free to call our Toll-free number 1-800-258-5956 or email the customer service desk at hello@godigit.com.

    Senior citizens can now contact us on 1-800-258-5956 or write to us at seniors@godigit.com.
    Email: grievance@godigit.com

    For further information, please refer the below link,
    https://www.godigit.com/claim/grievance-redressal-procedure

    The policyholder or the claimant also has the option to register the complaint on-line at IRDAI's Bima Bharosa by visiting https://bimabharosa.irdai.gov.in/

    After investigating the matter internally and subsequent closure, We will send You Our response. If You do not get a satisfactory response from Us and You wish to pursue other avenues for redressal of grievances, You may approach Insurance Ombudsman appointed by IRDAI under the Insurance Ombudsman Scheme. The contact details of the Insurance Ombudsman Centres are mentioned below: (Note: Address and contact number of Governing Body of Insurance Council).

| Sl. No | Office of Insurance | Address | Email | Landline NOs. |
|---|---|---|---|---|

| | Ombudsman | | | |
|---|---|---|---|---|
| 1 | AHMEDABAD | Jeevan Prakash 6th floor Near S.V. College<br>Relief Road Tilak Marg<br>Ahmedabad- 380 001. Gujarat | E-mail:<br>oio.ahmedabad@cioins.co.in | 079-25501201, 079-25501202 |
| 2 | BENGALURU | Jeevan Soudha Building,<br>PID No.57-27-N-19, Ground Floor. No. 19/19<br>24th Main Rd. 1st Phase<br>J.P. Nagar Bengaluru- 560 078. | Email:<br>oio.bengaluru@cioins.co.in | 080-26652048, 080-2665 2049 |
| 3 | BHOPAL | UC of India Zonal Office Blda.<br>1st Floor, South Wing, Jeevan Shikha,<br>Opp. Gayatri Mandir<br>60-B Hoshangabad Road Bhopal-462 011 | Email: oio.bhopal@cioins.ca.in | 0755-2769201, 0755-2769202,<br>0755-2769203, 0755-2769200 |
| 4 | BHUBANESWAR | 62 Forest Park,<br>Bhubaneswar PIN -751 009. | Email:<br>oio.bhubaneswar@cioins.co.in | 0674-2596455, 0674-2596429,<br>0674-2596003, 0674-2596461 |
| 5 | CHANDIGARH | Jeevan Deep, Ground Floor LIC of India Bldg,<br>SCO 20-27 Sector 17-A. Chandigarh - 160017 | E-mail:<br>oio.chandigarh@cioins.co.in | 0172-2706468, 0172-2773101,<br>0172-2990938, 0172-2706196,<br>0172-2707468, 0172-2772101,<br>0172-2990942 |
| 6 | CHENNAI | Fatima Akhtar Court, 4th fir 453 (old 312),<br>Anna Salai<br>Tevnampet. Chennai 600018 | E-mail:<br>oio.chennai@cioins.co.in | 044-24333668, 044-24333678 |
| 7 | DELHI | 2/2 A 1st Floor. Universal Ins. Buildina.<br>Asaf Ali Road New Delhi- 110002. | Email : oio.delhi@cioins.co.in | 011-46013992 |
| 8 | GUWAHATI | Jeevan Nivesh Bldg. 5th Floor Near Pan Bazar<br>S.S. Road Guwahati-781001 | E-mail:<br>oio.auwahati@cioins.co.in | 0361-2631307, 0361-2632204<br>0361-2732937, 0361-2632205 |
| 9 | HYDERABAD | 6-2-46 1st Floor Moin Court<br>Lane Opp. Hyundai Showroom<br>A. C. Guards. Lakdi-ka-pool, Hyderabad 500004 | E-mail:<br>oio.hvderabad@cioins.co.in | 040-23376991, 040-23312122<br>040-23376S99, 040-23328709 |
| 10 | JAIPUR | Jeevan Nidhi II, Ground Floor<br>Bhawani Singh Road Ambedkar Circle<br>Jaipur -302005. | E-mail: oio.jaipur@cioins.co.in | 0141-2740363 |
| 11 | KOCHI | 10th Floor LIC Bldg, Jeevan Prakash<br>OPP Maharai College Ground<br>M.G. Road, Ernakulam Kochi- 682011 | E-mail:<br>oio.ernakulam@cioins.co.in | 0484-2358759, 0484-2358734, 0484-23S8336 |
| 12 | KOLKATA | 7th Floor of Hindustan Building (Annex).<br>4 CR Avenue Kolkata-700072 | E-mail:<br>oio.kolkata@cioins.co.in | 033-22124339, 033-22124341 |
| 13 | LUCKNOW | Jeevan Bhavan Phase II, 6th Floor Nawal Kishore Road,<br>Hazratgani, Lucknow- 226001, | E-mail:<br>oio.lucknow@cioins.co.in | 0522-4002082 |
| 14 | MUMBAI | 3rd Floor, Jeevan Seva Annexe,<br>S.V.Road Santacruz West<br>Mumbai-400 054. | E-mail:<br>oio.mumbai@cioins.co.in | 022-69038800, 022-69038827 /8829, 022-69038831/8832 |
| 15 | NOIDA | Bhagwan Sahai Palace 4th fir, Main Road Nava Bans<br>Sector 15 Noida-201301 | E-mail: oio.noida@cioins.co.in | 0120- 2514252, 0120-2514253,<br>0120-4027589 |
| 16 | PATNA | 2nd Floor Lalit Bhawan<br>Bailey Road. Patna- 800001 | E-mail: oio.patna@cioins.co.in | 061-22547067, 061-22547068 |
| 17 | PUNE | 3rd Floor Jeevan Darshan -LIC of India Bldg<br>N.C. Kelkar Road Narayan Peth<br>Pune- 411030. | Email: oio.pune@cioins.co.in | 020-24471175 |

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| **18** | THANE | 2nd Floor Jeevan Chintamani Building, Vasantrao Naik Mahamarg, Thane (West), Thane - 400604 | Email: oio.thane@cioins.co.in | 022-20812868, 022-20812869 |

For updated details of Ombudsman details, request to please check Council of Insurance Ombudsmen website available on https://www.cioins.co.in/Ombudsman

Note: COUNCIL FOR INSURANCE OMBUDSMAN ,3rd Floor, Jeevan Seva Annexe, S. V. Road, Santacruz (W), Mumbai - 400 054.Tel.: 022 – 69038801/03/04/05/06/07/08/09 Email: inscoun@cioins.co.in

Sabotage and terrorism Damage Cover Endorsement - (Material Damage and Advanced Loss Of Profit) with effect from 1st April, 2021, if opted and mentioned in Policy Schedule

**INSURING CLAUSE**

Subject otherwise to the terms, exclusions, provisions and conditions contained in the Policy and in consideration of the payment by the Insured to the Company of additional premium as stated in the Schedule, it is hereby agreed and declared that notwithstanding anything stated in the terrorism Risk Exclusion of this Policy to the contrary, this Policy is extended to cover:-

(i) Physical loss or physical damage occurring during the period of this Policy caused by an act of sabotage and/or terrorism, subject to the exclusions, limits and excess herein below contained.

For the purpose of this cover, an act of terrorism means an act or series of acts, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), or unlawful associations, recognized under Unlawful Activities (Prevention) Amendment Act, 1967 (as amended from time to time) or any other related and applicable national or state legislation formulated to combat unlawful and terrorist activities in the nation for the time being in force, committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear for such purposes.

For the purpose of this cover, an act of sabotage means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

(ii) loss, damage, cost or expense directly caused by, resulting from or in connection with any action taken in suppressing, controlling, preventing or minimizing the consequences of an act of sabotage and/or terrorism by the duly empowered government or Military Authority.

Provided that If the Insured is eligible for indemnity under any government compensation plan or other similar scheme in respect of the damage described above, this Policy shall be excess of any recovery due from such plan or scheme.

For the purpose of the aforesaid inclusion clause, "Military Authority" shall mean armed forces, para military forces, police or any other authority constituted by the government for maintaining law and order.

(iii)

1. The insurer shall indemnify the insured for a loss of the interest insured unless specifically excluded if at any time during the period of insurance the property insured under Material Damage section suffers loss or damage indemnifiable under (i) and (ii) above or which would have been indemnifiable under (i) and (ii) but for the application of a deductible, thereby causing an interference in the construction, erection or testing time schedule resulting in a delay in start-up of the business insured.

2. The indemnity for the loss of interest insured shall be in respect of:

2.1. gross profit, the loss actually sustained during the indemnity period resulting from reduction in turnover including any increased cost of working or

2.2. specified standing charges, the amount actually not earned during the indemnity period resulting from a reduction in turnover including any increased cost of working.

3. The indemnity shall not exceed the sum insured for the maximum indemnity period.

**Sum insured**

The sum insured shall be

1. the annual gross profit specified in the schedule or

2. the annual specified standing charges.

Should the maximum indemnity period exceed twelve months, the gross profit or the specified standing charges shall be the pro rata amount for that period.

**Period of insurance**

1. The insurance cover under this section shall begin upon commencement of physical work or storage on the site or the inception date specified in the schedule, whichever is the later.

2. All insurance cover under this section shall cease on the scheduled date of commencement of the business insured or on the date of commencement of the business insured, whichever is the earlier.

3. No extension of the period of insurance under Material Damage section shall automatically extend the period of insurance for this section.
4. Any anticipated change in the scheduled date of commencement of the business insured shall be reported to the insurer and be effective for this section only if specifically agreed upon by the insurer in writing.
5. If as a result of a delay in start-up, the period of insurance under this section is to be extended, the time excess and the indemnity period shall be renegotiated and agreed upon in writing.

**Indemnity period**

The indemnity period shall be the period during which the interest insured is affected as a result of the delay in start-up, beginning on the scheduled date of commencement of the business insured and not exceeding the maximum indemnity period specified in the schedule.

**Premium**

- The premium shall be paid at the inception of this section and shall be calculated by multiplying the sum insured by the premium rate.
- If the insured declares and his auditors have certified that the amount of the gross profit during the accounting period of twelve months following the date of commencement of the business insured or the date on which, but for the delay in start-up, the business insured would have commenced was less than the annual sum insured, a pro rata return of premium not exceeding one third of the premium paid shall be made in respect of the difference.
- If any loss or damage has occurred giving rise to any payment in respect of a loss of the gross profit, then the amount calculated before application of the time excess shall be added to the amount certified by the insure??? auditors in above mentioned clause and any return of premium shall be based on the difference between such sum and the sum insured.

Claims Notification and the Insured's special obligations following an occurrence of loss or damage

1. In the event of any occurrence of loss or damage which might cause a delay in start-up leading to a claim under Advanced Loss of Profits-

1.1. the insured employer shall immediately notify the insurer and send it written confirmation thereof within forty-eight hours of the occurrence;

1.2. the insurer or the insurer???agent shall have unlimited access to the site to establish the possible cause and extent of the loss or damage, its effect on the interest insured, to examine the possibilities for minimizing the delay in start-up and if necessary to make reasonable recommendations for the avoidance or minimization of such delay.

2. In the event of a claim being made under this section, the insured shall at his own expense deliver to the insurer not later than thirty days after the delay in startup or within such further periods as the insurer may allow in writing a written statement setting forth particulars of the claim.

3. The insured shall at his own expense produce and furnish to the insurer such books of account and other business books or other evidence as may reasonably be required by the insurer for the purpose of investigating or verifying the claim together with, if required, a statutory declaration of the truth of the claim and of any matters connected therewith.

**Conditions for loss settlement**

In the event of a loss of interest insured, the basis of loss settlement under this section shall be as follows:

1. Loss of gross profit

1.1. In respect of loss of gross profit, the insurer shall pay the amount obtained by multiplying the rate of gross profit by the amount by which the actual turnover during the indemnity period falls short of the turnover which would have been achieved had the delay in start-up not occurred.

1.2. If the annual sum insured hereunder is less than the amount obtained by multiplying the rate of gross profit by the annual turnover or, if the maximum indemnity period exceeds twelve months, the turnover calculated for the equivalent period, the amount payable shall be reduced proportionately.

2. Specified standing charges

2.1. In respect of specified standing charges, the insurer shall pay the amount obtained:
by multiplying the percentage by which the actual turnover during the indemnity period falls short of;
the turnover which would have been achieved had the delay in start-up not occurred ;
by the amount of specified standing charges incurred during the indemnity period.

2.2. If the sum insured hereunder is less than the amount obtained by multiplying the rate of gross profit by the annual turnover or, if the maximum indemnity period exceeds twelve months, the pro rata turnover for that period, the amount payable shall be reduced proportionately.
3. Increased cost of working
3.1. In respect of increased cost of working, the insurer shall pay the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, without such expenditure, would have occurred during the indemnity period after the time excess.
3.2. The indemnity shall not exceed the amount of loss of interest insured thereby avoided.
4. Calculation of rate of gross profit and annual turnover
4.1. In calculating the rate of gross profit and annual turnover, the following aspects shall be taken into consideration:
4.1.1. The results of the business insured for the 12-month period after the date of commencement of the business insured;
4.1.2. Any circumstances which would have affected the business insured had the delay in start-up not occurred;
4.1.3. Any circumstances affecting the business insured after the actual date of commencement of the business insured.
4.2. The final figures shall represent as closely as may be deemed reasonable the results which the business insured would have achieved after the scheduled date of commencement of the business insured had the delay in start-up not occurred.
4.3. If through measures undertaken to avoid or minimize the delay in start-up a financial advantage accrues to the benefit of the insured during the period of the time excess or up to six months beyond the indemnity period, this financial advantage shall be taken into account in determining the indemnity.
4.4. Liquidated damage for which any contractor is obliged to indemnify the insured shall be deducted from the loss of interest insured.

**Progress reports**

1. The insured shall provide the insurer with updated progress reports at the intervals stated in the schedule.
2. The progress report shall show the progress of the work on the insured contract(s) in relation to any contractual programme of work prepared by any contractor.
3. The progress report shall identify any delays or potential delays in the progress of work and the effect of such delays in terms of a potential claim under this section and any measures taken or intended to be taken to minimize the effect of any such delays.

**Definitions applicable to Business Interruption Section/Advanced Loss of Profits only**

Annual turnover means the turnover which, had the delay in start-up not occurred, would have been achieved during the twelve months after the scheduled date of commencement of the business insured.
Business insured means the commercial operation of the property insured specified in the schedule to this section.
Date of commencement of the business insured means the actual date on which the business insured commenced.
Debt service charges means the amount of the annual payment(s) of interest and if specified the principal on borrowings due by the insured employer.
Delay in start-up means a delay in the scheduled date of commencement of the business insured.
Gross profit means the amount by which the value of the turnover and the value of the closing stock exceeds the value of the opening stock and the amount of the specified working expenses. The value of the opening and closing stocks shall be calculated in accordance with the insure□□□ normal accounting methods, due provision being made for depreciation.
Increased cost of working means the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of gross profit which, without such expenditure, would have taken place.
Interest insured means either the gross profit including any increased cost of working or the specified standing charges including any increased cost of working.

Maximum indemnity period means the maximum period specified in the schedule in respect of which cover is afforded for the interest insured by this section.
Rate of gross profit means the percentage of gross profit which, had the delay in start-up not occurred, would have been earned on the annual turnover.
Scheduled date of commencement of the business insured means the date specified as such in the schedule or any revised date upon which the business insured would have commenced had the delay in start-up not occurred.
Specified standing charges means any fixed costs specified in the schedule which continue to be payable in full during the indemnity period.
Specified working expenses means any costs incurred for the acquisition of goods, raw materials or auxiliaries as well as for supplies unless required for the upkeep of operations and any costs of packaging, carriage, freight, intermediate storage, turnover tax, purchase, tax, licence fees and royalties, insofar as such costs are dependent on turnover.
Time excess means the period specified in the schedule for which the insurer is not liable.
Turnover means the amount of money (less discounts) paid or payable to the insured for goods, products or services sold, delivered or rendered in the course of the business insured.

**LOSSES EXCLUDED**

**(A) For Materials Damage**

This cover shall not indemnify loss of or damage to property caused by any or all of the following:
1. Loss by seizure or legal or illegal occupation;
2. Loss or damage caused by:
(i) voluntary abandonment or vacation,
(ii) confiscation, commandeering, nationalisation, requisition, detention, embargo, quarantine, or any result of any order of public or government authority,
which deprives the Insured of the use or value of its property;
3. loss or damage arising from acts of contraband or illegal transportation or illegal trade;
4. loss or damage directly or indirectly arising from or in consequence of the seepage or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment;
5. loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind;
6. loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind;
7. any fine, levy, duty, interest or penalty or cost or compensation/damages and/or other assessment which is incurred by the Insured or which is imposed by any court, government agency, public or civil authority or any other person;
8. loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.
This exclusion shall not operate to exclude losses (which would otherwise be covered under this Policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile;
9. loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest or riots or civil commotion;
10. loss or increased cost occasioned by any public or government or local or civil authorit□□□ enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder;
11. any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working;

12. loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service;
13. loss or increased cost as a result of threat or hoax;
14. loss or damage caused by or arising out of burglary, house - breaking, looting, theft, larceny or any such attempt or any omission of any kind of any person (whether or not such act is committed in the course of a disturbance of public peace) in any action taken in respect of an act of sabotage and/or terrorism;
15. loss or damage caused by mysterious disappearance or unexplained loss;
16. loss or damage directly or indirectly caused by mould, mildew, fungus, spores or other micro-organism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health;
17. total or partial cessation of work or the retardation or interruption or cessation of any process or operations or omissions of any
18. Any loss due to fines or damages for breach of contract or penalties of whatever nature;
19. Any infidelity, fraudulent, dishonest or criminal act by any director, officer or trustee of the Insured whether acting alone or in collusion with others;
20. Any debt, insolvency or commercial failure, whether to provide bond or security or otherwise, or any other financial cause of any party or person whatsoever.
21. loss or damage caused by Civil Commotion, Insurrection, Revolution or Rebellion, Mutiny and/or Coup d'Etat and Civil War except as may be insured specifically under any Political Violence Extension to this cover
22. Third party liability howsoever arising except as may be insured specifically under any Third-Party Liability Extension to this cover;

**(B) For Advanced Loss of Profit**

The following shall be excluded from the cover provided by this section:
1. Loss of interest insured due to any delay in start-up resulting from:
1.1. loss or damage covered under material damage section by way of endorsement unless expressly specified as covered in the schedule;
1.2. Earthquake, volcanic eruption or tsunami, unless expressly specified as
covered in the schedule;
1.3. loss of or damage to the employer□□ property;
1.4. loss of or damage to fuel or feedstock or any materials necessary for the business insured unless expressly agreed to form part of the property insured under Material Damage section;
1.5. redesigning, altering, adding to or improving the property insured or rectifying defects or faults;
1.6. loss of or damage to the property insured under Material Damage section or any part thereof
1.6.1. which has been taken into use or occupation
or
1.6.2. for which a taking-over certificate has been issued or is deemed to have been issued;
1.7. loss of or damage to items of a prototype nature, unless expressly specified as covered in the schedule;
1.8. any restrictions imposed by a public authority;
1.9. non-availability of funds;
2. the amounts of any fines or damages for breach of contract, for late or non- completion of orders or for penalties of whatever nature;
3. loss of interest insured resulting from suspension, lapse or cancellation of a lease, licence, order, contract or agreement other than the loss of interest insured incurred during the delay in start-up.
4. loss arising from Contingent Business Interruption Extension of Business Interruption/Advanced Loss of Profit Section under this policy, comprising of Customers and Suppliers premises, Prevention of Access and Public

**LIMIT OF INDEMNITY**

The limit of indemnity under this cover shall not exceed the Total Sum Insured for Material Damage and Advanced Loss of Profits given in the Policy Schedule or INR 20,000,000,000 per compound/location whichever is lower. The limit of indemnity in respect of Advanced Loss of Profits alone shall not exceed the Advanced Loss of Profits Sum Insured or INR 7,500,000,000 whichever is lower. In respect of several insurance policies within the same compound/location with one or different insurers, the maximum

aggregate loss payable per compound/location by any one or all insurers shall be INR 20,000,000,000 for Material Damage and Advanced Loss of Profits. If the actual aggregate loss suffered at one compound/location is more than INR 20,000,000,000 for Material damage and Advanced Loss of Profits, the amounts payable towards individual policies shall be reduced in proportion to the sum insured of the policies.

**EXCESS**

**A. For material damage***

Shops & Residential Risks: 1% of the claim amount for each and every claim subject to Minimum of INR 10,000 and Maximum of INR 500,000

Non-Industrial Risks: 1% of the claim amount for each and every claim subject to Minimum of INR 25,000 and Maximum of INR 1,000,000

Industrial Risks: 5% of the claim amount for each and every claim subject to Minimum of INR 100,000 and Maximum of INR 25,00,000

*Whichever is applicable

**B. For Advanced Loss of Profit**

In respect of a loss of interest insured the insurer shall not be liable for the amount obtained by multiplying the average daily value of the loss of interest insured sustained during the indemnity period by the number of days specified in the schedule as the time excess for Advanced Loss of Profits cover, but not less than 30 days.

**ADD ON COVERS**

It is further declared and agreed that the limit of indemnity including the claim on add on cover(s) shall not exceed total sum insured plus separate sublimit opted for add on cover(s) or INR 20,000,000,000 whichever is lower. In respect of several insurance policies with in the same compound/location, the maximum aggregate loss payable per compound/location by any one or all insurers shall be INR 20,000,000,000.

**MID TERM COVER**

In case the coverage under this endorsement is granted during the currency of the policy, no claims will be payable for loss or damage to property caused by an act of sabotage and/or terrorism occurring during the first 15 (fifteen) days from the date of granting such cover. There should be no known or recorded/reported losses from ground up including threats/hoaxes from date of inception of policy to the date of granting such cover.

**SANCTION, LIMITATION AND EXCLUSION CLAUSE:**

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

**CANCELLATION CLAUSE**

Notwithstanding the cancellation provisions relating to the basic insurance policy on which this endorsement is issued, there shall be no refund of premium allowed for cancellation of the Sabotage and/or terrorism risk insurance during the period of insurance except where such cancellation is done along with the cancellation of the basic insurance. Where a policy is cancelled and rewritten mid-term purely for the purpose of coinciding with the accounting year of the insured, pro-rate refund of the cancelled policy premium will be allowed.

If the cancellation is for any other purpose, refund of premium will only be allowed after charging short term scale rates.

Note: The definitions, terms and conditions of the Policy save as modified or endorsed herein shall apply.