

Policy wording

PRINCIPAL'S ADVANCE LOSS OF PROFITS UIN: IRDAN123CP0002V01202021

The Company shall indemnify the Insured - named as Principal in the Schedule to this Policy - in respect of the 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 period of insurance stated in the Schedule to this Policy any or all the insured items suffer loss or damage covered under the Underlying EAR/CAR Material Damage policy number mentioned on the schedule, unless specifically excluded in this policy, thereby causing an interference in the Construction and erection 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.

If the annual sum insured hereunder is less than the sum obtained by applying the rate of gross profit to the annual turnover, amount payable shall be reduced proportionately.

Definitions

Period of Insurance:

The period of insurance shall be period stated in the Schedule terminating on the date specified in the schedule or on any earlier date when the EAR/ CAR material damage cover ceases.

Scheduled Date of Commencement of the Insured Business

The provisional date stated in the Schedule to this Policy or any revised date upon which the business would have commenced had the delay not occurred.

Indemnity Period

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 Section.

Time Excess

The period stated in the Schedule for which the Company is 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 the time excess.

Turnover

The amount of money (less discounts allowed) paid or payable to the Insured for goods, products or services sold, delivered or rendered in the course of the insured business conducted at the premises

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Annual Turnover

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.

Annual Gross Profit

The amount by which the value of the annual 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 Insured's normal accounting methods, due provisions 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 (unless required for the upkeep of operations) and any costs for packaging, carriage, freight, intermediate storage, turnover tax, purchase tax, license fees and royalties for inventors etc., in so far as such costs are dependent on turnover.

Rate of Gross Profit

The rate which, had the delay not occurred, would have been earned on the turnover during the indemnity period.

Special 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 resulting from.
 - a. loss or damage covered under CAR / EAR Policy (details of which are mentioned in the schedule hereto) by way of endorsement, unless it has been specifically agreed in writing;
 - b. Earthquake, volcanic eruption, tsunami, unless it has been specifically agreed in writing;
 - c. loss of or damage to surrounding property, construction machinery, plant and equipment;
 - d. loss of or damage to operating media or feedstock, shortage, destruction, deterioration of or damage to any materials necessary for the insured business;
 - e. any restrictions imposed by a public authority;
 - f. Non availability of funds;
 - g. Alterations, additions, improvements, rectification of defects or faults or elimination of any deficiencies carried out after the occurrence;
 - h. Loss or damage to items taken over or taken into use by the insured or for which cover under Section I of EAR /CAR Insurance Policy has ceased.
2. 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;
3. loss of business due to causes such as suspension; lapse or cancellation of a lease, license or order, etc., which occurs after the date of actual commencement of the business;
4. Loss of or damage to erection work of a prototype nature, unless specifically agreed by endorsement.
5. 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.

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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.

Provisions

Memo 1 - Extension of Period: Any extension of the period of insurance under the concurrent EAR/ CAR Insurance Policy shall not automatically lead to an extension of the period of insurance stated in the Schedule of this policy.

Any extension of the period of insurance 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,
- 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,

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 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.

Special Conditions

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1. The Policy and 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 schedule shall bear such specific meaning wherever it may appear
2. The insured shall present the Insurers with updated progress reports at intervals stated in the Schedule to this Policy.
3. In the event of any material change in the original risk such as
 - a. changes of the envisaged progress programme, testing procedures etc.,
 - b. alteration, modification or addition to any item of machinery or work etc.,
 - c. 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 Insurers.

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 insurers by telephone or telegram and send them written confirmation 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 testing schedule so as to avoid or diminish any delay resulting there from.
 - c. the insurers and every person authorized by the Insurers shall, without prejudice to any party insured by this Policy, have access to the erection site where such loss or damage has occurred for the purpose of direct negotiation with the responsible contractor or sub-contractor 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 Insurers so to do. If the Insured or anyone acting on his behalf hinders or obstructs the Insurers during any of the above mentioned acts or does not comply with such recommendations of the Insurers, all benefits under this Policy shall be forfeited.

5. In the event of a claim being made under this Policy, the Insured shall at his own expense deliver to the Insurers not later than thirty days after the delay or within such further periods as the Insurers may allow in writing a written statement setting forth particulars of his claim lodged with the company. Furthermore, the Insured shall at his own expense produce and furnish to the insurers such books of accounts and other business books, eg., invoices, balance sheets and other documents, proofs, information, explanations or other evidence as may be reasonably be required by the Insurers 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 the final determination of its amount. Notwithstanding the above, the Insured may, one month after the Insurers 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 insurers 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 Insurers shall not be liable to pay interest on indemnity moneys withheld other than interest or default.
7. The Insurers shall have free access to inspect the books of accounts of the Insured.

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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 address mentioned in the schedule of the policy.
10. 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 or on behalf of the Insured.
11. The Insurers shall not be bound to accept renewal of this policy or give notice that such is due.

12. Mechanism for Grievance Redressal:

As an esteemed customer of our Company, You can contact us to register complaint/ grievance, if any, including servicing of Policy, claims etc. with regard to the insurance Policy/Certificate of insurance issued to You. The contact details of our office are given below for Your reference.

If any Grievances / issues on claims pertaining to Senior Citizens, Insured can register the complaint / grievance which shall be processed on Fast Track Basis by dedicated personnel.

a) Contact Information

Cholamandalam MS General Insurance company Limited

HO: Dare House 2nd Floor, No. 2 NSC Bose Road, Chennai – 600 001.

Toll Free : 1800 200 5544

SMS: "CHOLA" TO 56677 *(Premium SMS charges apply)

Email _customercare@cholams.murugappa.com

Web site: www.cholainsurance.com

b) For Complaints

If You have not received any reply from us within 3 days from the date of the lodgement of complaint or if You are not satisfied with the reply of the Company, you can contact the IRDA Grievance Call Centre at the toll free no. 155255 or email at complaints@irda.gov.in for registering the grievance or the nearest Insurance Ombudsman, whose addresses are mentioned below:

Nearest Insurance Ombudsman Offices

Sl. No.	Office of the Ombudsman	Name of the Ombudsman and Contact Details	JURISDICTION
1	AHMEDABAD	Office of the Insurance Ombudsman, 2nd floor, Ambica House, Near C.U. Shah College, 5, Navyug Colony, Ashram Road, Ahmedabad – 380 014 Tel.:- 079-27546150/139, Fax:- 079-27546142 Email:- bimalokpal.ahmedabad@gbic.co.in	State of Gujarat and Union Territories of Dadra & Nagar Haveli and Daman and Diu.
2	BENGALURU	Office of the Insurance Ombudsman, Jeevan Soudha Building, PID No.57-27-N-19, Ground Floor, 19/19, 24th Main Road, JP Nagar, 1st Phase, Bengaluru-560 078. Tel.:- 080-26652048 / 26652049 Email:- bimalokpal.bengaluru@gbic.co.in	Karnataka.

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Sl. No.	Office of the Ombudsman	Name of the Ombudsman and Contact Details	JURISDICTION
3	BHOPAL	Office of the Insurance Ombudsman, Janak Vihar Complex, 2nd Floor, 6, Malviya Nagar, Opp.Airtel Office, Near New Market, Bhopal – 462 033. Tel:- 0755-2769200/201/202, Fax:- 0755-2769203 Email:- bimalokpalbhopal@gbic.co.in	States of Madhya Pradesh and Chattisgarh.
4	BHUBANESHWAR	Office of the Insurance Ombudsman, 62, Forest park, Bhubneshwar – 751 009.Tel:- 0674-2596461 / 2596455, Fax:- 0674-2596429 - Email:- bimalokpal.bhubaneswar@gbic.co.in	State of Orissa.
5	CHANDIGARH	Office of the Insurance Ombudsman, S.C.O. No. 101, 102 & 103, 2nd Floor, Batra Building, Sector 17 – D, Chandigarh – 160 017. Tel:- 0172-2706196/5861 / 2706468, Fax:- 0172-2708274, Email:- bimalokpal.chandigarh@gbic.co.in	States of Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir and Union territory of Chandigarh.
6	CHENNAI	Office of the Insurance Ombudsman, Fatima Akhtar Court, 4th Floor, 453 (old 312), Anna Salai, Teynampet, CHENNAI – 600 018. Tel:- 044-24333668 / 24335284, Fax:- 044-24333664, Email:- bimalokpal.chennai@gbic.co.in	State of Tamil Nadu and Union Territories - Pondicherry Town and Karaikal (which are part of Union Territory of Pondicherry).
7	DELHI	Office of the Insurance Ombudsman, 2/2 A, Universal Insurance Building, Asaf Ali Road, New Delhi – 110 002. Tel:- 011-23239611/7539/7532, Fax:- 011-23230858, Email:- bimalokpal.delhi@gbic.co.in	State of Delhi
8	ERNAKULAM	Office of the Insurance Ombudsman, 2nd floor, Pulinat Building, Opp. Cochin Shipyard, M.G. Road, Ernakulum - 682 015. Tel:- 0484-2358759/2359338, Fax:- 0484-2359336, Email:- bimalokpal.ernakulum@gbic.co.in	Kerala, Lakshadweep, Mahe-a part of Pondicherry
9	GUWAHATI	Office of the Insurance Ombudsman, 'Jeevan Nivesh', 5th Floor, Nr. Panbazar over bridge, S.S. Road, Guwahati – 781001(ASSAM). Tel:- 0361- 2132204 / 2132205, Fax:- 0361-2732937, Email:- bimalokpal.guwahati@gbic.co.in	States of Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura.
10	HYDERABAD	Office of the Insurance Ombudsman, 6-2-46, 1st floor, "Moin Court", Lane Opp. Saleem Function Palace, A. C. Guards, Lakdi-Ka-Pool, Hyderabad - 500 004. Tel:- 040-65504123/23312122, Fax:- 040-23376599, Email:- bimalokpal.hyderabad@gbic.co.in	States of Andhra Pradesh, Telangana and Union Territory of Yanam - a part of the Union Territory of Pondicherry.

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Sl. No.	Office of the Ombudsman	Name of the Ombudsman and Contact Details	JURISDICTION
11	JAIPUR	Office of the Insurance Ombudsman, Jeevan Nidhi-II Bldg., Ground Floor, Bhawani Singh Marg, Jaipur - 302005. Tel:- 0141-2740363, Email:- bimalokpal.jaipur@gbic.co.in	State of Rajasthan.
12	KOLKATA	Office of the Insurance Ombudsman, Hindustan Building Annexe, 4th floor, 4, CR Avenue, Kolkata - 700 072. Tel:- 033-22124339 / 22124340, Fax:- 033-22124341, Email:- bimalokpal.kolkata@gbic.co.in	States of West Bengal, Bihar, Sikkim and Union Territories of Andaman and Nicobar Islands.
13	LUCKNOW	Office of the Insurance Ombudsman, 6th Floor, Jeevan Bhawan, Phase-II, Nawal Kishore Road, Hazratganj, Lucknow-226 001. Tel:- 0522-2231330 / 2231331, Fax:- 0522-2231310. Email:- bimalokpal.lucknow@gbic.co.in	District of Uttar Pradesh: Lalitpur, Jhansi, Mahoba, Hamirpur, Banda, Chitrakoot, Allahabad, Mirzapur, Sonbhadra, Fatehpur, Pratapgarh, Jaunpur, Varansi, Gazipur, Jalaun, Kanpur, Lucknow, Unnao, Sitapur, Lakhimpur, Bahraich, Barabanki, Raebareli, Sravasti, Gonda, Faizabad, Amethi, Kaushambi, Balrampur, Basti, Ambedkarnagar, Sulampur, Maharajganj, Santkabirnagar, Azamgarh, Kaushinagar, Gorkhpur, Deoria, Mau, Chandauli, Ballia, Sidharathnagar.
14	MUMBAI	Office of the Insurance Ombudsman, 3rd Floor, Jeevan Seva Annexe, S. V. Road, Santacruz (W), Mumbai - 400 054. Tel:- 022-26106928/360/889, Fax:- 022-26106052, Email:- bimalokpal.mumbai@gbic.co.in	States of Goa, Mumbai Metropolitan Region excluding Navi Mumbai & Thane.
15	NOIDA	Office of the Insurance Ombudsman, Bhagwan Sahai Palace, 4th Floor, Main Road, Naya Bans, Sector-15, Gautam Budh Nagar, Noida Email:- bimalokpal.noida@gbic.co.in	States of Uttaranchal and the following Districts of Uttar Pradesh: Agra, Aligarh, Bagpat, Bareilly, Bijnor, Budaun, Bulandshehar, Etah, Kanooj, Mainpuri, Mathura, Meerut, Moradabad, Muzaffarnagar, Oraiyya, Pilibhit, Etawah, Farrukhabad, Firozabad, Gautam Budh Nagar, Ghaziabad, Hardoi, Shahjahanpur, Hapur, Shamli, Rampur, Kashganj, Sambhal, Amroha, Hathras, Kanshiramnagar, Saharanpur.

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Sl. No.	Office of the Ombudsman	Name of the Ombudsman and Contact Details	JURISDICTION
16	PATNA	Office of the Insurance Ombudsman, 1st Floor, Kalpana Arcade Building, Bazar Samiti Road, Bahadurpur, Patna - 800 006. Email:- bimalokpal.patna@gbic.co.in	States of Bihar and Jharkhand.
17	PUNE	Office of the Insurance Ombudsman, Jeevan Darshan Building, 3rd Floor, CTS Nos. 195 to 198, NC Kelkar Road, Narayan Peth, Pune - 411 030 Tel: 020 -32341320, Email:- bimalokpal.pune@gbic.co.in	States of Maharashtra, Area of Navi Mumbai and Thane excluding Mumbai Metropolitan Region.