

**PROSPECTUS  
(Commercial)**

**ADVANCE LOSS OF PROFITS INSURANCE**

**Introduction**

The Policy shall indemnify the Insured (Principal) in respect of the loss of gross profit actually sustained due to the reduction in turnover and the increased cost of working, if at any time during the period of insurance, any or all the insured items suffer loss or damage covered under the EAR/CAR Material Damage Policy, unless specifically excluded in this Policy, thereby causing an interference in the erection work and/or testing schedule resulting in a delay of commencement of and/or interference with the insured business.

**Who can take this insurance?**

The policy can be taken by the Principal as they stand to lose in case of any delay in the commissioning of a new project under installation / construction. The policy is to be offered in conjunction with Erection All Risk or Contractors All Risk Insurance (EAR / CAR) policy.

**What the policy covers?**

The indemnity provided by the Advance Loss of Profit Policy 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.

**What the Policy does not cover?**

The Company 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 CAR/ EAR 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;
  - 1.8 Loss or damage to items taken over or taken into use by the Insured or for which cover under CAR/ EAR 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.

### What to Do in Event of a Claim?

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.

Note: This is a generic proposal. It may undergo change depending the Reinsurer's / lead Insurers requirement on the nature of proposal and coverage opted.

### Grievances

For resolution of any query or grievance, Insured may contact the respective branch office of the Company or may call toll free number 1800 266 4545 or may write an e-mail at [care@zurichkotak.com](mailto:care@zurichkotak.com).

In case the Insured is not satisfied with the response, Insured may contact the Grievance Officer of the Company at [grievanceofficer@zurichkotak.com](mailto:grievanceofficer@zurichkotak.com). In case if the Insured is not satisfied with the solution the Grievance Officer has provided, Insured can write to [seniorgrievanceofficer@zurichkotak.com](mailto:seniorgrievanceofficer@zurichkotak.com) / [chiefgrievanceofficer@zurichkotak.com](mailto:chiefgrievanceofficer@zurichkotak.com)

However, if the resolution provided by us is not satisfactory you may approach Insurance Regulatory and Development Authority of India (IRDAI) through the Bima Bharosa Portal: <https://bimabharosa.irdai.gov.in>.

You may also approach Insurance Ombudsman, subject to vested jurisdiction, for the redressal of grievance. The details of the Insurance Ombudsman is available at Annexure I of Policy wordings.

The details of the Insurance Ombudsman/ complete Grievance Redressal Process is also available at Company's website: [www.zurichkotak.com](http://www.zurichkotak.com)

The updated details of Insurance Ombudsman offices are also available on the website of Council for Insurance Ombudsmen: [www.cioins.co.in/Ombudsman](http://www.cioins.co.in/Ombudsman)

### Note:

For detailed Coverage, Exclusions, Conditions etc., it is recommended to go through the Specimen copy of the Policy Wording which can be collected from any of our branch or downloaded from company web site.

### STATUTORY WARNING - PROHIBITION OF REBATES (Under Section 41 of Insurance Act 1938)

- 1) No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property, in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the Policy, nor shall any person taking out or renewing or continuing a Policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the Insurer.
- 2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupee.