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# Consequential Loss (Fire) Insurance Policy Wordings

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## Scope of cover

The Policy broadly covers loss of Net Profit on account of interruption of business,, consequent upon Material Damage to property due to Fire or any other insured peril under the Standard Fire and Special Perils Policy.

It also covers standing charges which continue to be incurred during the period of interruption and the increase in cost of working necessarily and reasonably incurred to maintain the business as far as possible at its normal level, so that loss under net profit and standing charges is avoided or at least minimized.

## Sum Insured

Sum to be insured under this policy is the estimated Gross Profit for the Indemnity Period selected.

Indemnity Period is the maximum period beginning with the occurrence of the damage, for which cover of Loss of Gross Profit is required and should reflect the maximum period anticipated for reinstatement of the damaged property. The maximum indemnity period permissible under the policy is 3 years.

## Premium

Basis rate depends on Fire and Special Perils rate. Final rate is influenced by Indemnity Period chosen. At inception, Gross Profit is taken on estimated basis and is subject to declaration of the actual figures after expiry of Policy based on final audited accounts.

## **Significant Exclusions**

The Insurance Policy does not cover

- Loss of gross profits, which is not consequent upon property damage due to an insured peril.
- Loss due to material damage to property, difference between value of stock at the time of fire and the value at the time of subsequent replacement, deterioration of undamaged stock after fire.
- Cost of preparing fire and loss of profits claim, third party claims and loss of goodwill.

## **Excess**

Claims are payable in full without any deduction.

## **Main Extension**

Policy can be extended to suppliers' and customers' premises or public utilities, on which the business is dependent and cost of Auditors fees required to submit claim on Insurer.