

CONSEQUENTIAL LOSS (FIRE) INSURANCE

SALES LITERATURE AND MARKETING BROCHURE

UIN No. - IRDAN150RP0005V01201213

Scope of Cover

Consequential loss insurance is an extension of Material Damage (Fire) Policy. It follows the fortune of the material damage policy as per the “material damage proviso”.

It is a pre-requisite for this policy to have a material damage policy in force at the time of happening of the damage, covering the interest of the insured in the property at the premises against such damage.

Policy pays for the following:

- Loss of net profit due to stoppage of business as a result of insured perils.
- Standing charges which continued to accrue in spite of stoppage of business.
- Additional expenditure incurred by the insured to maintain normal business activity during the period in which the business is affected.

Main Exclusions

The policy excludes any consequential loss due to causes excluded under material damage policy.

Sum Insured

It is an indemnity policy. The sum insured is based on the gross profit of the business. The sum insured depends upon the indemnity period.

Premium

The main risk factors that would determine the basic rate for this product would be nature of occupancy, geographical location, past loss experience, deductibles and coverage. There would be other factors like indemnity period, type of process, number of production lines, number of shifts etc. which would be used for loading / discounting of the base rates.

Main Extensions

We can further increase the scope of cover with the help of „add on covers” by paying additional premium. These add on covers should also be covered under the material damage policy. Some of the important add on covers are listed below:

- ✓ Earthquake (Fire & Shock)
- ✓ Spontaneous Combustion
- ✓ Deterioration of stocks in cold storage
- ✓ Impact Damage due to own vehicles
- ✓ Omission to insure additions
- ✓ Terrorism
- ✓ Loss of Rent
- ✓ Rent for alternate accommodation
- ✓ Forest Fire

COMPANY PROFILE – LIBERTY GENERAL INSURANCE LIMITED
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