

ADVANCE LOSS OF PROFIT INSURANCE



UIN No.- IRDAN150CP0031V01201213

MARKETING BROCHURE

Scope of Cover

Advance loss of profit insurance is an extension of Contractor All Risk (CAR)/ Erection All Risk (EAR) Policy. It follows the fortune of the material damage policy (CAR or EAR) as per the material damage proviso.

It is a pre-requisite for an Advance loss of profit 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.

Advance Loss of Profit cover is intended to indemnify the Principal owners against financial Loss. Hence should be issued to Principal owners only. Quite often the interests of the project financiers are also included as “additional insured”.

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, chosen by the proposer.

Premium

The main risk factors that would determine the basic rate (Material Damage) for this product would be nature of occupancy, geographical location, past loss experience, deductibles and coverage. The ALOP rate is derived mainly from the material damage rate by applying factors which impact ALOP exposure.

COMPANY PROFILE – LIBERTY GENERAL INSURANCE

COMPANY LIMITED

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