

Advance Loss of Profits (ALOP) Insurance

POLICY WORDING

(The terms and conditions including the wording provided are the proposed wordings and the final terms and conditions would be identical to those provided by the Reinsurer basing on the options exercised by the proposer)

Whereas the Insured named in the Schedule and carrying on the business as described in the Schedule of this policy has applied to SBI General Insurance Company Limited (hereinafter called the "Company") by a written proposal and declaration which shall be the basis of this contract and be deemed to be incorporated herein for the insurance hereinafter contained and has paid the premium for the sections stated in the Schedule.

Now this Policy of Insurance witnesses that in consideration of the Insured having paid the premium mentioned in the schedule(s) and subject to the terms, exclusions, provisions and conditions contained herein or endorsed hereon:

The Company hereby agrees subject to the terms and conditions contained herein or endorsed or otherwise expressed hereon that 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 Section, if at any time during the period of insurance stated in the Schedule any or all the insured items suffer loss or damage covered under Section I of the underlying Erection All Risk (EAR) / Contractors All Risk (CAR) material damage Policy number, unless specifically excluded in this Section, 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, 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, the amount payable shall be reduced proportionately.

Definition

Period of Insurance

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

Scheduled Date of Commencement of the Insured Business

The provisional date stated in the Schedule to this Section 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 to this Section for which the Company are 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.

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., insofar 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.

Exclusions

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
 - a. loss or damage covered under Section I of CAR/EAR Policy 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 to this 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. any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, lock-out, civil commotion, military or usurped power, a group of malicious persons or persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction of or damage to property by order of any government de jure or de facto or by any public authority
 6. any consequence of nuclear reaction, nuclear radiation or radioactive contamination
- a. changes of the envisaged progress programme, testing procedure, 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 Company.
4. In the event of any occurrence which might cause a delay in anticipated and scheduled date of commencement of the insured business and give rise to a claim under this section:
 - a. the Insured shall immediately notify the Company by telephone or any other communication medium 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 therefrom.
 - c. the Company and every person authorized by the Company 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 subcontractor 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 Company so to do. If the Insured or anyone acting on the Insured's behalf hinders or obstructs the Company during any of the abovementioned acts or does not comply with such recommendations of the Company, all benefits under this Section shall be forfeited.
 5. 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.
 6. The indemnity shall be payable one month after final determination of its amount. Notwithstanding the above, the Insured may, one month after the Company 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.

Provision

Memo 1 - Extension of Period:

Any extension of the period of insurance under Section I of EAR/CAR Policy shall not automatically lead to an extension of the period of insurance stated in the Schedule to 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 Section 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:

1. The results of the insured business for the 12-month period after commencement of commercial operation of the insured premises.
2. Variations and special circumstances which would have affected the insured business had the delay not occurred,
3. Variations and special circumstances affecting the insured business after commencement of commercial operation of the insured premises 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 of commercial operations 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

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 Company with updated progress reports of implementation of the project at intervals stated in the Schedule to this policy.
3. In the event of any material change in the original risk such as

The Company 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 Company shall not be liable to pay interest on indemnity moneys with held.

7. The Insurers shall have free access to inspect the books of accounts of the Insured.
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 following address:
10. The Insurers may after admission of liability pay to the Insured the maximum indemnity amount on receiving the documentary evidence and thereafter the insurers shall not be under any further liability to the insured in respect of such claim.
11. In the event of a claim, if there exist any other policy in favour of the insured for the same subject matter of insurance, the insurers shall not pay more than its rateable proportion of such claims.
12. The Policy may be cancelled at any time by giving 15 days notice by means of registered letter from the insurers to the insured last known address and in such event the insurers will refund prorata premium for the unexpired period of the Policy.
13. The Policy may also be cancelled by the Insured by giving 15 days notice in writing to the Insurers in which event the Insurers shall cancel the Policy and refund the premium at short period scale subject to 'No Claim' under the policy during the period of insurance
14. "The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy.
Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996."
15. The Insurers shall be entitled in the name of the Insured to have absolute conduct and control of all or any proceedings that it considers necessary for the purpose of securing reimbursement in respect of insured items and the Insured shall at the Insurer's expense furnish all such assistance as may reasonably be required by the Insurers in connection with such proceedings. The Insurers shall be entitled to take over and conduct in the name of Insured the defense or settlement of any claim in the name of Insured for its own benefit in pursuance of any remedies to which the Insurers shall be or would become entitled or subrogated upon its indemnifying the Insured. The Insurers shall have full discretion in conduct of any proceedings and in settlement of any claim and the Insured shall give all such assistance and information as the Insurers may require.
16. The Insured understands that if a proposal has been completed for this insurance, then the statements and all particulars provided in such proposal, and any attachments thereto, are material to the Insurer's decision to provide this insurance. The Insured further understands that the Insurers will, in their sole discretion, issue this Policy in reliance upon the truth of such statements and particulars.
17. The Insurers shall not be bound to accept renewal of this policy or give notice that such is due.

This policy shall be voidable at the option of the insurers in the event of mis-representation, mis-description or non-disclosure of any material particular by the insured. Any person who, knowingly and with intent to defraud the insurance company or other persons, files a proposal for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act which will render the policy voidable at the insurance company's sole discretion and result in a denial of insurance benefits.

If a Claim is in any respect fraudulent, or if any fraudulent or false plan, specification, estimate, deed, book, account entry, voucher, invoice or other document, proof or explanation is produced, or any fraudulent means or devices are used by the insured, policyholder, beneficiary, claimant or by anyone acting on their behalf to obtain any benefit under this policy, or if any false statutory declaration is made or used in support thereof, or if loss is occasioned by or through the procurement or with the knowledge or connivance of the insured, policyholder, beneficiary, claimant or other person, then all benefits under this policy are forfeited.

Grievance Redressal Mechanism

If You have a grievance about any matter relating to the Policy, or Our decision on any matter, or the claim, You can address Your grievance as follows:

Stage 1: Bima Bharosa

You can register your grievances with the regulator using the following link: <https://bimabharosa.irdai.gov.in/Home/Home>

Stage 2: Head – Customer Care

Alternatively, if you wish to register your grievances directly with us, you may write to the Head – Customer Care. We aim to respond to all Grievances within 7 days. In our initial acknowledgement of receipt letter, we will provide the name and title of the person that is handling your Grievance. This individual will have the authority necessary to investigate and resolve the Grievance.

Email: head.customercare@sbigeneral.in

Toll-Free Number: 1800 102 1111 (Available 24/7)

Stage 3: Grievance Redressal Officer (GRO)

In case, you are still not satisfied with the decision/resolution communicated by the above officer or have not received any response within 5 Business days, you may escalate the matter to the Grievance Redressal Officer (GRO) which will undergo a detailed case investigation, and we aim to resolve the issue within 7 days from the date of receipt of your Grievance at GRO Desk

Email: gro@sbigeneral.in

Designation: Grievance Redressal Officer

Phone: 022-45138021

Note: - The Company shall endeavour to maintain the regulatory TAT of 14 days in resolving your grievances.

Stage 4: Escalation to Insurance Ombudsman

If you feel that the response to your Grievance was unsatisfactory, or if you believe your concerns have not been adequately addressed by the company, you may escalate the matter to the Insurance Ombudsman.

Submit your Grievance online:

<https://www.cioins.co.in/Ombudsman>