

CONSEQUENTIAL LOSS (FIRE) INSURANCE POLICY

When a fire occurs or any of the other perils covered under the Standard Fire & Special Perils Policy (Material Damage Policy) occur, the material damage policy will help the insured in reinstatement/ repair/replacement of the damaged Building, Plant & Machinery and Stock. The time period between the date on which the loss occurs and the date on which the entire reinstatement/repair/replacement is complete and normal production restarts, is called the “Period of Interruption”. This would result in a reduction in turnover, causing subsequent loss of profits. The intention of a Consequential Loss (Fire) Policy is to make good this loss.

EXCLUSIONS

The consequential Fire policy covers

- Loss of Gross Profit due to Reduction in Turnover/Output.
- Increase in Cost of Working-This is the additional expenditure that has to be necessarily incurred in order to avoid or diminish the reduction in turnover.

The basic requirement is that the loss of gross profit and/or increase in cost of working has to be as a consequence of an insured peril under the material damage Fire and Special Perils policy.

OPTIONAL EXTENSIONS:

- Wages-Dual basis or Pro-rata basis
- Lay-offs and Retrenchment compensation and notice wages liability
- Auditor's fees.
- Extension to cover supplier's premises.
- Extension to cover Customer's Premises.
- Insured's property stored at other situations.
- Extension to cover loss due to accidental failure of public electricity/gas/water supply.
- Molten material damage.
- Spoilage Consequential loss cover.

OTHER SALIENT FEATURES:

- Discounts/Loadings based on various risk features.

- Discounts for opting higher Voluntary excess

The details furnished above do not constitute the entire terms and conditions. For details please refer to our Policy document.