

Bajaj Allianz General Insurance Company Limited

Corporate Identity Number: U66010PN2000PLC015329. IRDAI Registration No.113

Regd. Office & Head Office: Bajaj Allianz House, Airport Road, Yerwada, Pune - 411 006

ADVANCE LOSS OF PROFIT (EAR)**Insurance Policy Wordings**

Whereas the Insured named in the Schedule hereto has made to Bajaj Allianz General Insurance Company Limited (hereinafter called 'the Company') a written proposal by completing a Proposal cum Questionnaire, which together with any other statements made in writing by the Insured for the purpose of this Policy is deemed to be incorporated herein.

Now this Policy witnesses that in consideration of the Insured having paid to the Company the premium mentioned in the Schedule and also subject to the Terms, Exclusions, Provisions, Definitions and Conditions contained herein or endorsed hereon.

The Company shall indemnify the Insured - named as Principal in the Schedule of 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 Policy, if at any time during the period of insurance stated in the Schedule to this Policy any or all the insured items suffer loss or damage covered under Section I of Material Damage Policy (as per details of Erection All Risk Insurance Policy mentioned in the schedule hereto), unless specifically excluded in this Policy, thereby causing an interference in the construction/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.

DEFINITIONS

- 1) **Period of Insurance:** The period of insurance shall be the period stated in the Schedule to this Policy, terminating on the date specified in the Schedule or on any earlier date when the Erection All Risk Material Damage cover of Section I (as per details of Erection All Risk Insurance Policy mentioned in the schedule hereto) ceases.
- 2) **Scheduled Date of Commencement of the Insured Business:** The provisional date stated in the Schedule to this Policy or any revised date upon which the business would have commenced had the delay not occurred.
- 3) **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 Policy.
- 4) **Time Excess:** The period stated in the Schedule to this Policy for which the Company is 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.
- 5) **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.
- 6) **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.
- 7) **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

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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, licence fees and royalties for inventors, etc., insofar as such costs are dependent on turnover.

- 8) Rate of Gross Profit:** The rate which, had the delay not occurred, would have been earned on the turnover during the indemnity period.

SPECIAL 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 Material Damage Policy (as per details of Erection All Risk Insurance Policy mentioned in the schedule hereto) by way of endorsement, unless it has been specifically agreed in writing;
 - b) earthquake, volcanic eruption, tsunami, terrorism damage, 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 of Material Damage Policy (as per details of Erection All Risk Insurance Policy mentioned in the schedule hereto) 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, licence or order, etc. which occurs after the date of actual commencement of the business;
- 4) loss of or damage to construction/erection work of a prototype nature, unless specifically agreed by endorsement.

PROVISIONS

Memo 1 - Extension of Period:

Any extension of the period of insurance under Section I of Material Damage Policy (as per details of Erection All Risk Insurance Policy mentioned in the schedule hereto) 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 Policy 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:

- a) the results of the insured business for the 12-month period after commencement,
 - b) variations and special circumstances which would have affected the insured business had the delay not occurred,
 - c) variations and special circumstances affecting the insured business after commencement,
- 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 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 Insured shall present the Company with updated progress reports at intervals stated in the Schedule to this Policy.
- 2) In the event of any material change in the original risk such as
 - changes of the envisaged progress programme, testing procedure, etc.
 - alteration, modification or addition to any item of machinery or work, etc.
 - 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.

- 3) In the event of any occurrence which might cause a delay and give rise to a claim under this Policy:
 - a) the Insured shall immediately notify the Company by telephone or telegram 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 construction/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 construction/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 licence of the Insured to the Company so to do. If the Insured or anyone acting on his behalf hinders or obstructs the Insurers during any of the abovementioned acts or does not comply with such recommendations of the Insurers, all benefits under this Policy shall be forfeited.

- 4) In the event of a claim being made under this Policy, the Insured shall at his 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.
- 5) 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. 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 withheld other than interest for default.

- 6) This Policy, the Schedule and the Proposal Form annexed (which forms an integral part of this Policy) shall be read together as one contract, and words and expressions to which specific meanings have been attached in any part of this Policy or of the Schedule shall bear such specific meanings wherever they may appear.
- 7) If any dispute or difference shall arise as to the quantum to be paid under this policy (liability being otherwise admitted by the Company) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties to or if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute/difference and the third arbitrator to be appointed by such two arbitrator and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

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It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as hereinbefore provided, if the Company has disputed or not accepted/repudiated the claim or liability under or in respect of this policy.

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that the award by such arbitrator/arbitrators of the amount of the loss or damage shall be first obtained.

- 8) If the claim be in any respect fraudulent or if any false declaration be made or used in support thereof or if any fraudulent means or devices are used by the insured or any one acting on his behalf to obtain any benefit under this policy or if the Accident be occasioned by the willful act or with the connivance of the insured or if the claim be made and rejected and an action or suit be not commenced within three months after such rejection or in case of an arbitration taking place as provided hereunder within three months of this policy after the Arbitrator or Arbitrators or Umpire shall have made their award, all benefit under this Policy shall be forfeited.
- 9) **TERRORISM DAMAGE EXCLUSION WARRANTY:** This Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss. For the purpose of this exclusion, an act of terrorism means an act or series of acts, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), or unlawful associations, recognized under Unlawful Activities (Prevention) Amendment Act, 2008 or any other related and applicable national or state legislation formulated to combat unlawful and terrorist activities in the nation for the time being in force, committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear for such purposes. This exclusion also includes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.
- 10) **Claim settlement procedure**
- i) In cases where a surveyor has to be appointed for assessing a loss/claim, the Company will do so immediately, in any case within 72 hours of the receipt of intimation from the insured. The Company / surveyor shall within 7 days of the claim intimation, inform the insured / claimant of the essential documents and other requirements that the claimant should submit in support of the claim.
 - ii) The surveyor shall submit his final report to the Company within 30 days of his appointment. In case of claims made in respect of commercial and large risks the surveyor shall submit the final report to the Company within 90 days of his appointment.
 - iii) On receipt of all required information/ documents that are relevant and necessary for the claim, the Company shall, within a period of 30 days offer a settlement of the claim to the insured/claimant.
 - iv) If the Company, for any reasons, decides to reject a claim under the policy, it shall do so within a period of 30 days from the receipt of last relevant and necessary document.
 - v) In the event the claim is not settled within 30 days as stipulated above, the insurer shall be liable to pay interest at a rate, which is 2% above the bank rate from the date of receipt of last relevant and necessary document from the insured/claimant by insurer till the date of actual payment.
- 11) **Renewal:** On renewal, the benefits provided under the policy and/or terms and conditions of the policy including premium rate may subject to change.

12) Resolving Issues

We do our best to ensure that our customers are delighted with the service they receive from Bajaj Allianz. If you are dissatisfied we would like to inform you that we have a procedure for resolving issues. Please include your policy number in any communication. This will help us deal with the issue more efficiently. If you don't have it, please call your Branch office.

First Step

Initially, we suggest you contact the Branch Manager / Regional Manager of the local office which has issued the policy. The address and telephone number will be available in the policy.

Second Step

Naturally, we hope the issue can be resolved to your satisfaction at the earlier stage itself. But if you feel dissatisfied with the suggested resolution of the issue after contacting the local office, please e-mail or write to: Customer Care Cell

Bajaj Allianz General Insurance Co. Ltd

Bajaj Allianz House, Airport Road, Yerawada, Pune 411 006

E-mail: bagichelp@bajajallianz.co.in

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If you are still not satisfied, you can approach the Insurance Ombudsman in the respective area for resolving the issue. The contact details of the Ombudsman offices are mentioned below:

NAMES OF OMBUDSMAN AND ADDRESSES OF OMBUDSMAN CENTRES	
Office Details	Jurisdiction of Office Union Territory, District)
AHMEDABAD - Shri Kuldip Singh Office of the Insurance Ombudsman, Jeevan Prakash Building, 6th floor, Tilak Marg, Relief Road, Ahmedabad – 380 001. Tel.: 079 - 25501201/02/05/06 Email: bimalokpal.ahmedabad@cioins.co.in	Gujarat, Dadra & Nagar Haveli, Daman and Diu.
BENGALURU - Smt. Neerja Shah Office of the Insurance Ombudsman, Jeevan Soudha Building, PID No. 57-27-N-19 Ground Floor, 19/19, 24th Main Road, JP Nagar, 1st Phase, Bengaluru – 560 078. Tel.: 080 - 26652048 / 26652049 Email: bimalokpal.bengaluru@cioins.co.in	Karnataka.
BHOPAL - Shri Guru Saran Shrivastava Office of the Insurance Ombudsman, Janak Vihar Complex, 2nd Floor, 6, Malviya Nagar, Opp. Airtel Office, Near New Market, Bhopal – 462 003. Tel.: 0755 - 2769201 / 2769202 Fax: 0755 - 2769203 Email: bimalokpal.bhopal@cioins.co.in	Madhya Pradesh Chattisgarh.
BHUBANESHWAR - Shri Suresh Chandra Panda Office of the Insurance Ombudsman, 62, Forest park, Bhubneshwar – 751 009. Tel.: 0674 - 2596461 /2596455 Fax: 0674 - 2596429 Email: bimalokpal.bhubaneswar@cioins.co.in	Orissa.
CHANDIGARH - Dr. Dinesh Kumar Verma Office of the Insurance Ombudsman, S.C.O. No. 101, 102 & 103, 2nd Floor, Batra Building, Sector 17 – D, Chandigarh – 160 017. Tel.: 0172 - 2706196 / 2706468 Fax: 0172 - 2708274 Email: bimalokpal.chandigarh@cioins.co.in	Punjab, Haryana(excluding Gurugram, Faridabad, Sonapat and Bahadurgarh) Himachal Pradesh, Union Territories of Jammu & Kashmir, Ladakh & Chandigarh.
CHENNAI - Shri M. Vasantha Krishna Office of the Insurance Ombudsman, Fatima Akhtar Court, 4th Floor, 453, Anna Salai, Teynampet, CHENNAI – 600 018. Tel.: 044 - 24333668 / 24335284 Fax: 044 - 24333664 Email: bimalokpal.chennai@cioins.co.in	Tamil Nadu, Tamil Nadu Puducherry Town and Karaikal (which are part of Puducherry).
DELHI - Shri Sudhir Krishna Office of the Insurance Ombudsman, 2/2 A, Universal Insurance Building, Asaf Ali Road, New Delhi – 110 002. Tel.: 011 - 23232481/23213504 Email: bimalokpal.delhi@cioins.co.in	Delhi & Following Districts of Haryana - Gurugram, Faridabad, Sonapat & Bahadurgarh.

<p>GUWAHATI - Shri Kiriti .B. Saha Office of the Insurance Ombudsman, Jeevan Nivesh, 5th Floor, Nr. Panbazar over bridge, S.S. Road, Guwahati – 781001 (ASSAM). Tel.: 0361 - 2632204 / 2602205 Email: bimalokpal.guwahati@cioins.co.in</p>	<p>Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura.</p>
<p>HYDERABAD - Shri I. Suresh Babu Office of the Insurance Ombudsman, 6-2-46, 1st floor, "Moin Court", Lane Opp. Saleem Function Palace, A. C. Guards, Lakdi-Ka-Pool, Hyderabad - 500 004. Tel.: 040 - 23312122 Fax: 040 - 23376599 Email: bimalokpal.hyderabad@cioins.co.in</p>	<p>Andhra Pradesh, Telangana, Yanam and part of Union Territory of Puducherry.</p>
<p>JAIPUR - Smt. Sandhya Baliga Office of the Insurance Ombudsman, Jeevan Nidhi – II Bldg., Gr. Floor, Bhawani Singh Marg, Jaipur - 302 005. Tel.: 0141 - 2740363 Email: bimalokpal.jaipur@cioins.co.in</p>	<p>Rajasthan.</p>
<p>ERNAKULAM - Ms. Poonam Bodra Office of the Insurance Ombudsman, 2nd Floor, Pulinat Bldg., Opp. Cochin Shipyard, M. G. Road, Ernakulam - 682 015. Tel.: 0484 - 2358759 / 2359338 Fax: 0484 - 2359336 Email: bimalokpal.ernakulam@cioins.co.in</p>	<p>Kerala, Lakshadweep, Mahe-a part of Union Territory of Puducherry.</p>
<p>KOLKATA - Shri P. K. Rath Office of the Insurance Ombudsman, Hindustan Bldg. Annexe, 4th Floor, 4, C.R. Avenue, KOLKATA - 700 072. Tel.: 033 - 22124339 / 22124340 Fax : 033 - 22124341 Email: bimalokpal.kolkata@cioins.co.in</p>	<p>West Bengal, Sikkim, Andaman & Nicobar Islands.</p>
<p>LUCKNOW - Shri Justice Anil Kumar Srivastava Office of the Insurance Ombudsman, 6th Floor, Jeevan Bhawan, Phase-II, Nawal Kishore Road, Hazratganj, Lucknow - 226 001. Tel.: 0522 - 2231330 / 2231331 Fax: 0522 - 2231310 Email: bimalokpal.lucknow@cioins.co.in</p>	<p>Districts of Uttar Pradesh : Lalitpur, Jhansi, Mahoba, Hamirpur, Banda, Chitrakoot, Allahabad, Mirzapur, Sonbhadra, Fatehpur, Pratapgarh, Jaunpur, Varanasi, Gazipur, Jalaun, Kanpur, Lucknow, Unnao, Sitapur, Lakhimpur, Bahraich, Barabanki, Raebareli, Sravasti, Gonda, Faizabad, Amethi, Kaushambi, Balrampur, Basti, Ambedkarnagar, Sultanpur, Maharajgang, Santkabirnagar, Azamgarh, Kushinagar, Gorkhpur, Deoria, Mau, Ghazipur, Chandauli, Ballia, Sidharathnagar.</p>
<p>MUMBAI - Shri Milind A. Kharat Office of the Insurance Ombudsman, 3rd Floor, Jeevan Seva Annexe, S. V. Road, Santacruz (W), Mumbai - 400 054. Tel.: 022 - 26106552 / 26106960 Fax: 022 - 26106052 Email: bimalokpal.mumbai@cioins.co.in</p>	<p>Goa, Mumbai Metropolitan Region excluding Navi Mumbai & Thane.</p>

<p>NOIDA - Shri Chandra Shekhar Prasad Office of the Insurance Ombudsman, Bhagwan Sahai Palace 4th Floor, Main Road, Naya Bans, Sector 15, Distt: Gautam Buddh Nagar, U.P.-201301. Tel.: 0120-2514252 / 2514253 Email: bimalokpal.noida@cioins.co.in</p>	<p>State of Uttaranchal and the following Districts of Uttar Pradesh: Agra, Aligarh, Bagpat, Bareilly, Bijnor, Budaun, Bulandshehar, Etah, Kanooj, Mainpuri, Mathura, Meerut, Moradabad, Muzaffarnagar, Oraiyya, Pilibhit, Etawah, Farrukhabad, Firozbad, Gautam-bodhanagar, Ghaziabad, Hardoi, Shahjahanpur, Hapur, Shamli, Rampur, Kashganj, Sambhal, Amroha, Hathras, Kanshiramnagar, Saharanpur.</p>
<p>PATNA - Shri N. K. Singh Office of the Insurance Ombudsman, 1st Floor, Kalpana Arcade Building,, Bazar Samiti Road, Bahadurpur, Patna 800 006. Tel.: 0612-2680952 Email: bimalokpal.patna@cioins.co.in</p>	<p>Bihar, Jharkhand.</p>
<p>PUNE - Shri Vinay Sah Office of the Insurance Ombudsman, Jeevan Darshan Bldg., 3rd Floor, C.T.S. No.s. 195 to 198, N.C. Kelkar Road, Narayan Peth, Pune – 411 030. Tel.: 020-41312555 Email: bimalokpal.pune@cioins.co.in</p>	<p>Maharashtra, Area of Navi Mumbai and Thane excluding Mumbai Metropolitan Region.</p>

Note: Address and contact number of Governing Body of Insurance Council

Secretary General - Governing Body of Insurance Council
 Jeevan Seva Annexe, 3rd Floor, S.V. Road, Santacruz (W), Mumbai - 400 054
 Tel No: 022-2610 6889, 26106245, Fax No. : 022-26106949, 2610 6052, E-mail ID: inscoun@vsnl.net