

## Advance Loss of Profit - Prospectus

### INTRODUCTION

Construction projects face several challenges that could result in delayed completion leading to financial losses to the firm responsible. These projects typically have set schedules for completion of the projects. A delay in completion can lead the parties involved to incur significant losses. The primary objective of Advance Loss of Profit Policy is to Indemnify the Insured from the losses sustained due to a delay in completion of the insured works. Therefore, it is proposed to offer the Advance Loss of Profit Policy in conjunction with Erection All Risk or Contractors All Risk Insurance (EAR / CAR) policy.

### WHAT IS COVERED

The amount payable as indemnity shall be: -

- a. **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; -
- b. **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.

### SUM INSURED

The Sum Insured is based on the gross profit of the business. Gross Profit is defined as the sum of Net Profit and insured standing charges.

Additional Items which can be incorporated as part of the Sum Insured:

- Wages
- Auditors' fees

### WHAT IS NOT COVERED

The company will not indemnify the insured in respect of loss, damage or liability attributable directly or indirectly to:

1. Loss of gross profit and/or increased cost of working due to any delay caused by or resulting from :
  - 1.1 Loss or damage covered under CAR/ EAR Policy by way of endorsement, unless it has been specifically agreed in writing;
  - 1.2. Earthquake, volcanic eruption, tsunami, unless it has been specifically agreed in writing;
  - 1.3. loss of or damage to surrounding property, construction machinery, plant and equipment;
  - 1.4. Loss of or damage to operating media or feedstock, shortage, destruction, deterioration of or damage to any materials necessary for the insured business;
  - 1.5. Any restrictions imposed by a public authority;
  - 1.6. Non-availability of funds;
  - 1.7. Alterations, additions, improvements, rectification of defects or faults or elimination of any deficiencies carried out after the occurrence;
  - 1.8. 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. 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.

### CANCELLATION

The Insured can cancel the policy at any time during the policy term, by informing the Company. The Company can cancel the policy only on the grounds of established fraud, by giving minimum notice of 7 days to the Insured. The Company shall refund proportion premium for unexpired policy period subject to no claim(s) made during the policy period.

### CLAIM INTIMATION

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 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 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.

### CLAIMS PROCEDURE

- An acknowledgement with respect to the claim intimation is given to the insured, once we are in receipt of any claim intimation from the insured.
- Based on the information submitted in the claim intimation letter, if required, we may procure more information from the insured depending on the facts mentioned therein. Upto the satisfaction of the Company.
- Surveyor / Investigator may be appointed if required. This requires that when a Surveyor is considered for appointment the following factors should be looked at:
  - A. The nature of loss
  - B. The nature of material lost
  - C. The geographical location of the loss
  - D. Apart from surveyor/investigator, opinions of legal experts are sought, if required.
  - E. Based on the investigation and documentations provided, the decision with respect to the claim would be taken and accordingly conveyed to the insured (vide written communication).
- Apart from above Standard documents some other documents may be called for based on the nature of claim. Any other document as may be necessary and appropriately applicable for the claims preferred under the different sections of the policy.
- Surveyor shall within 7 days of the claim intimation, inform the insured / claimant of the essential documents.
- Surveyor shall, submit his final report to the Company within 30 days of final submission of documents by insured.
- On receipt of the final survey report or the additional survey report, Insurer within a period of 30 days offer a settlement of the claim to the insured/claimant.

### CLAIM DOCUMENTS

The documents generally required for processing of claims are:

1. Policy/Underwriting documents.
2. Survey Report with Photographs wherever applicable
3. Claim Form, duly completed.

## Advance Loss of Profit - Prospectus

4. Log book / Asset register / Capitalized item list
5. Repair / Replacement invoices with receipt
6. All Applicable valid Certificates
7. KYC Documents
8. Any other relevant documents required based on type of loss

Apart from above Standard documents some other documents may be called for based on the nature of claim. Any other document as may be necessary and appropriately applicable for the claims preferred under the different sections of the policy.

### THIS PROSPECTUS

This prospectus gives information only. This is not an insurance contract. Each insurance cover is subject to terms and conditions, which You can read in the Advance Loss of Profit document. You must read the policy document to know the insurance cover fully. You can get a copy of the Advance Loss of Profit from Our branch or from Our website: [www.hdfcergo.com](http://www.hdfcergo.com). For any legal interpretation, policy document will hold.

### GRIEVANCES

If You have any grievance about any matter relating to the policy, or Our decision on any matter, or Our decision about Your claim, You can pursue Your grievance with Company's Grievance Redressal Officer.

If you have a grievance that you wish us to redress, you may contact us with the details of your grievance through:

- Call Centre - 120 6234 6234 / 022-6234 6234
- Emails - [grievance@hdfcergo.com](mailto:grievance@hdfcergo.com)
- Contact Details for Senior Citizens: 022 6242 6226
- Email ID- [seniorcitizen@hdfcergo.com](mailto:seniorcitizen@hdfcergo.com) Designated Grievance Officer in each branch.
- Company Website - [www.hdfcergo.com](http://www.hdfcergo.com)
- Courier - Any of our Branch office or corporate office

You may also approach the Complaint & Grievance (C&G) Redressal Cell at any of our branches with the details of your grievance during our working hours from Monday to Friday.

If you are not satisfied with our redressal of your grievance through one of the above methods, you may contact our Head of Customer Service at:

**The Complaint & Grievance Redressal Cell,  
HDFC ERGO General Insurance Company Limited  
D-301, 3rd Floor, Eastern Business District (Magnet Mall),  
LBS Marg, Bhandup (West),  
Mumbai – 400078, Maharashtra**

In case you are not satisfied with the response / resolution given / offered by the C&G cell, then you can write to the Chief Grievance Officer of the Company at the following address:

### To the Chief Grievance Officer

**HDFC ERGO General Insurance Company Limited  
D-301, 3rd Floor, Eastern Business District (Magnet Mall),  
LBS Marg, Bhandup (West),  
Mumbai - 400078, Maharashtra  
e-mail: [cgo@hdfcergo.com](mailto:cgo@hdfcergo.com)**

Grievance may also be lodged at IRDAI Integrated Grievance Management System- <https://bimabharosa.irdai.gov.in>

You may also approach the nearest Insurance Ombudsman for resolution, if your grievance is not redressed by the Company. The contact details of Ombudsman offices are below if your grievance pertains to:

- Insurance claim that has been rejected or dispute of a claim on legal construction of the policy
- Delay in settlement of claim
- Dispute with regard to premium
- Non-receipt of your insurance document

You may also refer Our website [www.hdfcergo.com](http://www.hdfcergo.com) <https://www.hdfcergo.com/customer-voice/grievances> for detailed grievance redressal procedure.

### ABOUT OUR COMPANY

- **Name of the company** – HDFC ERGO General Insurance Company Limited (IRDAI Reg No 146)
- **Registered & Corporate Office:** 1st Floor, HDFC House, 165-166 Backbay Reclamation, H. T. Parekh Marg, Churchgate, Mumbai – 400 020.
- **Website** – [www.hdfcergo.com](http://www.hdfcergo.com)
- **Contact number** – 022 - 62346234
- **Email** – [care@hdfcergo.com](mailto:care@hdfcergo.com)

### INSURANCE ACT 1938 SECTION 41- Prohibition of Rebates

No person shall allow or offer to allow either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectus or tables of the insurer.

**ANY PERSON MAKING DEFAULT IN COMPLYING WITH THE PROVISIONS OF THIS SECTION SHALL BE PUNISHABLE WITH FINE WHICH MAY EXTEND TO TEN LAKHS RUPEES.**

**Disclaimer: In the event of any question relating to interpretation of the insurance coverage, the policy document will prevail.**