

**SECTION 3****RULES FOR FIRE CONSEQUENTIAL LOSS INSURANCE**

- 1.0** This section applies to all fire consequential loss insurances, loss of profits and any other insurances providing similar cover other than loss of profits insurance under the Engineering Class, Industrial All Risks insurance, Marine insurance and insurances under the Large Risks Scheme.

The rates under the rules for fire consequential loss insurance are minimum rates to be applied. Members may apply higher rates/excess subject to individual company's underwriting.

**1.1 Average Base Rate**

The rate for fire consequential loss insurance shall not be less than the basic fire and/or perils/clauses rates (including the additional rates for clauses such as Electrical Installation Clause 8B, etc. where applicable) for material damage insurance for the same perils/clauses on the property concerned before any form of discounts other than discounts for fire extinguishing appliances when actually allowed.

In the event that more than one item and/or location are insured under the applicable fire material damage insurance, and that different rates and/or perils and/or clauses are applicable to one or more of these items and/or locations, the rates for the fire consequential loss insurance shall be the average base rate for material damage insurance for all the locations and/or items concerned.

The average base rate should be arrived at by taking the total of all material damage premiums (as defined above) and dividing by the corresponding total of sums insured for material damage.

For the purpose of this section, the material damage premium shall be computed by ignoring the loading or discount factors associated with the following clauses or endorsements.

- special conditions for declaration policies
- escalation clause
- reinstatement value clause - day one basis
- voluntary deductibles for material damage insurance

The average base rate shall be determined as at policy inception and thereafter at every renewal or extension of period of cover. The rate shall also be reviewed when there are changes to the material damage policy that cumulatively will result in a reduction or increase of 20% or more of the last determined consequential loss rate.

All existing fire consequential loss rates which do not conform to this section shall be discontinued.

**2.0 MULTIPLIERS**

The premium charged for fire consequential loss insurance shall not be less than the sum produced by applying the average base rate to the multiplier value as shown hereinafter and the sum insured for each item.

**2.1 MULTIPLIERS FOR GROSS PROFITS,  
GROSS REVENUE OR GROSS RENTAL ONLY**

The following multipliers shall apply in respect of gross profits, gross revenue, gross rental or items with or without payroll :-

Maximum Indemnity Period	Multiplier
6 months	75%
12 months	100%
18 months	90%
24 months	85%
36 months	80%
48 months	75%
60 months	70%
72 months	65%

If the maximum indemnity period falls between any two periods as indicated above, the higher multiplier shall be used.

**2.2 Multipliers for Wages on Pro-rata Basis**

Where the sum insured for wages represents a pro-rated proportion of the annual wages, the multipliers shall be as follows :-

Maximum Indemnity Period	Multiplier	Maximum Indemnity Period	Multiplier
14 weeks	195%	34 weeks	125%
15	191	35	124
16	187	36	122
17	183	37	120
18	177	38	118
19	171	39	116
20	165	40	115
21	160	41	113
22	157	42	112
23	155	43	111
24	152	44	109
25	149	45	107
26	147	46	106
27	143	47	105
28	140	48	103
29	137	49	102
30	135	50	101
31	132	51	101
32	129	52	100
33	127		

**2.3 MULTIPLIERS FOR WAGES ON DUAL BASIS**

Where the wages are insured on the dual basis, the multipliers and the alternative period shall be based on the Wages Dual Basis - Rating and Alternatives Period Tables attached under Appendix 1.

#### **2.4 MULTIPLIERS FOR INCREASE COST OF WORKING**

A minimum multiplier of 100% must be applied in respect of Increase Cost of Working and Additional Increase Cost of Working.

Underwriters should use their discretion to impose a loading depending on the limit and exposures involved.

#### **2.5 INSURANCE OF WAGES AND SALARIES ON PAYROLL BASIS**

Allowance may be made for wages to be insured on Payroll basis together with salaries as a separate item (but with a rating concession). For example, if the gross profit rate is 0.20% (fire and peril rate) X 100% multiplier, the payroll premium rate will be 0.20% X 100% X 70% (regardless of the indemnity period).

Wages and salaries are defined as follows :-

**WAGES**                                      Payments made to employees who are concerned with production and all others whose remuneration is not included as salaries.

**SALARIES**                                    Payments made usually weekly or monthly to staff permanently employed and whose duties are not directly concerned with production or, if so are in an executive capacity.

#### **3.0 EXTENSIONS**

It is not permissible to extend a fire consequential loss policy to cover any other contingencies except when the contingencies are limited to those included in this section and subject to the rates and wordings hereof.

Where the Insured nominate selected perils in addition to the basic fire risk on specified suppliers' premises and/or unspecified suppliers' premises and/or specified customers' premises, these extension wordings may be amended to include the following wordings :-

"In consequence of the damage by (to insert the special perils accordingly)"

#### **3.1 SUPPLIERS'/CUSTOMERS' EXTENSION**

##### **3.1.1 Specified Suppliers' Extension**

A consequential loss policy may be extended to cover loss arising from damage to specified suppliers' premises located in Malaysia, Singapore and Brunei only. For suppliers located outside these areas, please refer to the Rating Committee.

The profits rate for one specified supplier is calculated by applying the percentage limit to the appropriate rate for Standard and Special Perils.

When the extension relates to more than one specified supplier the rating is cumulative and the following method should be adopted :

(i) Each supplier is rated individually under the base rate and then listed in descending order of rates.

(ii) The profits rate charged is :

100% of the highest rate brought out by the calculation in (i)

Plus 50% of the second highest rate  
plus 25% of the third highest rate  
plus 10% of each of the remaining individual rates

An example (together with a worksheet) to calculate the Consequential Loss insurance premium is attached in Appendix II.

### **3.1.2 Unspecified Suppliers' Extension**

A consequential loss policy may be extended to cover loss arising from damage to unspecified suppliers' premises, provided that :-

- i. the suppliers are limited to those located in Malaysia, Singapore and Brunei only.
- ii. the limit is less than the lowest limit for specified supplier if any, and shall in no case exceed 10%.

### **3.1.3 Specified Customers' Extension**

A consequential loss policy may be extended to cover loss arising from damage to specified customers' premises located in Malaysia, Singapore and Brunei only. For customers located outside these areas, please refer to the Rating Committee.

The specified customer extension shall be rated in the same way as the specified supplier extension.

It is not permissible to provide cover for loss arising from damage at unspecified customers' premises.

### **3.1.4 Prevention of Access Extension**

A consequential loss policy may be extended to provide cover for loss resulting from damage elsewhere than at the Insured's premises which shall prevent or hinder the use of, or access to, the Insured's premises notwithstanding that the Insured's premises or property therein be not damaged.

### **3.1.5 Public Utilities Extension**

A consequential loss policy may be extended to provide cover for loss resulting from failure of public supply of electricity/water/gas arising from damage by an insured peril at the terminal point of the supply undertaking feed to the Insured's premises.

The consequential loss policy may be extended to provide cover for loss resulting from failure of public supply of telecommunication services at the incoming line terminals or receivers at the premises. However, any request for this extension must be directed to the Rating Committee for rating on a case-to-case basis.

## 4.0 RATING TABLE FOR EXTENSIONS

	FIRE & LIGHTNING (Additional rate applicable)	SPECIAL PERILS (Additional rate applicable)
1) SPECIFIED SUPPLIERS	0.10%	0.05%
2) UNSPECIFIED SUPPLIERS	0.50%	0.25%
3) SPECIFIED CUSTOMERS	Rate as Specified Suppliers	
4) PREVENTION OF ACCESS	0.008%	0.006%
5) PUBLIC UTILITIES		
- one utility	0.01%	0.01%
- two utilities	0.015%	0.015%
- three utilities	0.0175%	0.0175%
6) INFECTIOUS OR CONTAGIOUS DISEASES, MURDER, SUICIDE, PEST, FOOD OR DRINK POISONING; OR DEFECTIVE SANITARY ARRANGEMENTS	0.010%	-

## N.B

- 1) Where the maximum indemnity period exceed 12 months, the rates for PREVENTION OF ACCESS, PUBLIC UTILITIES and INFECTIOUS OR CONTAGIOUS DISEASES, MURDER, SUICIDE, PEST, FOOD OR DRINK POISONING; OR DEFECTIVE SANITARY ARRANGEMENTS may be reduced to that proportion of the rates indicated above which 12 months bear to the maximum indemnity period.
- 2) For the purpose of this rating table, "special perils" means all other perils permissible under Section 5 and Section 8.
- 3) For the Public Utilities Extension :
  - "one utility" means electricity or water or gas only;
  - "two utilities" means electricity and water, or  
electricity and gas, or water and gas;
  - "three utilities" means electricity and water and gas.

The above rates are subject to time excess of 72 hours.

If the time excess is 48 hours, a loading of 50% of the rates as indicated in the rating table is applicable.

If the time excess is 24 hours, a loading of 100% of the rates as indicated in the rating table is applicable.

- 4) Where only a limited range of perils is required (for example, riot, strike and malicious damage only), the appropriate rates as specified in Section 5 or Section 8 of this Tariff may be used directly.

## 5.0 SPECIAL PERILS ENDORSEMENTS

### 5.1 RIOT, STRIKE & MALICIOUS DAMAGE ENDORSEMENT

It is hereby agreed and declared that notwithstanding anything in the within written Policy contained to the contrary the term Damage as defined in this Policy shall extend to include (subject always to the Special Conditions hereinafter contained) :

(A) Riot and Strike damage directly caused by :-

- (1) The act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in Condition 7 of the Special Conditions hereof.
- (2) The action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimising the consequences of any such disturbance.
- (3) The wilful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lock-out.
- (4) The action of any lawfully constituted Authority in preventing or attempting to prevent any such act or in minimising the consequences of any such act.

(B) Malicious Damage directly caused by the malicious act of any person (whether or not such act is committed in the course of a disturbance of the public peace) not being an act amounting to or committed in connection with an occurrence mentioned in Condition 7 of the Special Conditions hereof.

### SPECIAL CONDITIONS

For the purpose of this endorsement but not otherwise there shall be substituted for the respectively numbered Conditions of the Policy the following :-

#### Condition 6.

This insurance does not cover :-

- (a) Loss resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation, other than that arising directly from destruction of or damage to the Premises or the property therein of the Insured caused by the perils insured against under this Policy.

- (b) Loss occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted Authority.
- (c) Loss occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building.
- (d) Loss occasioned by or happening through or in consequence of damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
- (e) Loss occasioned by or happening through or in consequence of damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionising radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this Condition 6(e) only, combustion shall include any self-sustaining process or nuclear fission.

Provided nevertheless that the Company is not relieved under (b) or (c) above of any liability to the Insured in respect of loss following physical damage to the Premises or the property therein of the Insured occurring before dispossession or during temporary dispossession.

**Condition 7.**

This insurance does not cover any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely:-

- (a) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war.
- (b) Mutiny, civil commotion assuming the proportions of or amounting to popular rising, military rising, insurrection, rebellion, revolution, military or usurped power.
- (c) Act of terrorism committed by a person or persons acting on behalf or in connection with any organisation.

For the purpose of this Condition, "terrorism" means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear.

In any action, suit or other proceeding, where the Company alleges that by reason of the provisions of this Condition any loss or damage is not covered by this Insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.

**Condition 10.**

This insurance may at any time be terminated by the Company on notice to the effect being given to the Insured, in which case the Company shall be liable to repay a rateable proportion of the premium for the unexpired term from the date of cancellation. If the insurance be terminated at the request of the Insured the Company shall not be liable to repay the premium or any part of it.

PROVIDED THAT it is hereby further expressly agreed and declared that :-

- (1) The liability of the Company shall in no case under this endorsement and the Policy exceed the sum insured by the Policy.
- (2) All the conditions of this Policy shall apply in all respects to the insurance granted by this extension save in so far as the same are expressly varied by the above Special Conditions.
- (3) The Special Conditions herein shall apply only to the insurance granted by this extension and the Conditions of the Policy shall apply in all respects to the insurance granted by the Policy as if this endorsement had not been made thereon.

## 5.2(a.)\* ADDITIONAL PERILS ENDORSEMENT

It is hereby agreed and declared that notwithstanding anything in the within written Policy contained to the contrary the term Damage as defined in this Policy shall extend to include destruction or damage (by Fire or otherwise) caused by the following perils as covered under the corresponding Material Damage Insurance Policy No. ....

- 1) Aircraft and other aerial devices or articles dropped therefrom
- 2) Earthquake and volcanic eruption
- 3) Hurricane, cyclone, typhoon, windstorm
- 4) Flood (including overflow of the sea)
- 5) Explosion but excluding loss or damage to boilers, economizers or other vessels, machinery or apparatus in which pressure is used or their contents resulting from their explosion
- 6) Impact by any road vehicles, animals not belonging to or under the control of the Insured, or any member of his family, or any person in and upon the Insured's service

or



Impact by any road vehicles, animals including any road vehicles, horses or cattle belonging to or under the control of the Insured, or any member of his family, or any person in and upon the Insured's service

- 7) Bursting or overflowing of water tanks, apparatus or pipes installed in or on the premises insured but excluding water discharged or leaking from an installation of automatic sprinklers
- 8) Bush/lalang fire
- 9) subsidence and/or heave of the site on which the buildings stand or land belonging thereto, or landslide
- 10) Fire only caused by spontaneous fermentation, heating or combustion  
or  
Spontaneous fermentation, heating or combustion
- 11) Smoke damage due to a sudden, unusual and faulty operation of any heating or cooking unit, only when such unit is connected to a chimney by exhaust pipe or vent pipe, but not smoke from fire-laces or industrial apparatus.
- 12) water or other fire extinguishing agent accidentally discharged or leaking from an automatic sprinkler installation and/or drencher and/or fire suppression or extinguishing installation or apparatus
- 13) loss or damage to property occasioned by its undergoing any heating or drying process, but excluding loss or damage due to smoke, fumes, scorching, charring, chemical reaction, change of state or original composition, or discoloration.

Provided that the liability of the Company shall in no case under this Endorsement and the policy exceed the sum insured by this Policy.

All the conditions of this Policy shall apply in all respects to the insurance granted by this Endorsement save in so far as the same are expressly varied hereunder.

- 5.2(b)\* It is hereby agreed and declared that notwithstanding anything in the within written Policy contained to the contrary the term Damage as defined in this Policy shall extend to include destruction or damage (by fire or otherwise) caused by the following additional perils as covered by the Material Damage Insurance Policy No.....
- Provided that the liability of the Company shall in no case under this Endorsement and the Policy exceed the sum insured by this Policy.

All the conditions of this Policy shall apply in all respects to the insurance granted by this Endorsement save in so far as the same are expressly varied hereunder.

Note\* :The additional perils endorsement wordings (a) or (b) to be used where applicable.

**6.0 STANDARD EXTENSION WORDINGS**

**6.1 SPECIFIED SUPPLIERS' PREMISES**

In consideration of the payment of an additional premium which is included in the premium hereon it is hereby agreed and declared that, subject to the conditions of the policy, loss as insured by Items(s) No.(s)..... of this policy resulting from interruptions of or interference with the business in consequence of damage (as within defined) to property at the undernoted situations shall be deemed to be loss resulting from damage to property used by the insured at the premises.

Provided that the liability under this memorandum in respect of any one location under (each of) Item(s) No(s) ..... shall not exceed the percentage of the sum insured thereunder shown against each situation.

Supplier	Situations	Insurer's Liability
_____	_____	_____
_____	_____	_____

Insurers will only be liable for any loss indemnifiable under this extension once the period of the loss has exceeded seventy-two (72) hours from the time that the insured is first impacted by a shortage in supplies and shall continue until such time that supplies have been restored in sufficient quantities to enable the insured to maintain the pre loss level of production.

**6.2. UNSPECIFIED SUPPLIERS' PREMISES**

In consideration of the payment of an additional premium which is included in the premium hereon it is hereby agreed and declared that, subject to the conditions of the policy, loss as insured by Items(s) No.(s)..... of this policy resulting from interruptions of or interference with the business in consequence of damage (as within defined) to property at the undernoted situations shall be deemed to be loss resulting from damage to property used by the insured at the premises.

Provided that the liability under this memorandum in respect of any one location shall not exceed 10% of the sum insured thereunder or RM10 million, whichever is the lower.

Situations:

The premises situate in Malaysia, Singapore or Brunei of the insured's suppliers, manufacturers or processors of components, goods and materials.

Insurers will only be liable for any loss indemnifiable under this extension once the period of the loss has exceeded seventy-two (72) hours from the time that the insured is first impacted by a shortage in supplies and shall continue until such time that supplies have been restored in sufficient quantities to enable the insured to maintain the pre loss level of production.

**6.3 SPECIFIED CUSTOMERS' PREMISES**

In consideration of the payment of an additional premium which is included in the premium hereon it is hereby agreed and declared that subject to the conditions of the policy, loss as insured by Item(s) No(s) ..... of this policy resulting from interruption or interference with the business in consequence of damage (as within defined) to property at any premises in Malaysia, Singapore or Brunei of the undernoted customer(s) shall be deemed to be loss resulting from damage to property used by the insured at the premises.

Provided that if the percentage shown below against the name of the Customer at whose premises damage has occurred shall be less than the percentage of the annual turnover derived by the insured from that customer, the amount otherwise payable under the terms of this memorandum in respect of that customer shall be proportionately reduced.

Customer	Situation	Limit of Liability
_____	_____	_____
_____	_____	_____

PROVIDED that the Insurers shall not be liable for any loss insured by this extension unless interruption of or interference with the Business of the Insured exceeds a period of seventy-two (72) hours and the liability of the insurer under this extension shall apply only to such period in excess of seventy-two (72) hours.

**6.4 PREVENTION OF ACCESS**

In consideration of the payment of an additional premium which is included in the premium hereon it is hereby agreed and declared that subject to the conditions of the Policy, loss as insured by Item(s) No(s) ..... of this Policy resulting from interruption of or interference with the business in consequence of damage by insured peril (as within defined) to property in the vicinity of the Insured's premises which shall prevent or hinder the use thereof or access thereto, whether the premises or property of the insured therein shall be damaged or not, shall be deemed to be loss resulting from damage to property used by the insured at the premises.

Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the accident, beginning with the date of the occurrence and ending not later than the Maximum Indemnity Period thereafter.

Maximum Indemnity Period shall mean ..... months.

The Insurer's liability under this memorandum shall not exceed 10% of the Sum Insured or RM10 million, whichever is lower in any one period of insurance, after the application of all other terms and conditions of the policy.

PROVIDED that the Insurers shall not be liable for any loss insured by this extension unless interruption of or interference with the Business of the Insured exceeds a period of seventy-two (72) hours and the liability of the insurer under this extension shall apply only to such period in excess of seventy-two (72) hours.

#### **6.5 PUBLIC UTILITIES**

In consideration of the payment of additional premium it is hereby declared that subject to the conditions of the Policy, loss as insured by this Policy resulting from interruption of or interference with the business consequent upon failure of public supplies of electricity/water/gas\* resulting from a damage as defined in the Policy at any :

- generating station or substation of the public electricity supply undertaking,
- land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith,
- water works or pumping station of the public water supply undertaking,

from which the Insured obtains electricity/water/gas\* shall be deemed to be loss resulting from damage to property used by the Insured at the premises. Any transmission lines or pipes feeding to the Insured's premises are not included.

A deliberate act of the supply undertaking not performed for the purpose of safeguarding life or protecting the system and rationing not necessitated solely by accidental damage to the supply undertaking's equipment are excluded.

PROVIDED that the Insurers shall not be liable for any loss insured by this extension unless failure of the public supplies of electricity/water/gas\* exceeds a period of seventy-two (72)\* hours and the liability of the insurer under this extension shall apply only to such period in excess of seventy-two (72)\* hours."

- Delete as appropriate.

**6.6 INFECTIOUS OR CONTAGIOUS DISEASES, MURDER, SUICIDE, PEST, FOOD OR DRINK POISONING; OR DEFECTIVE SANITARY ARRANGEMENTS**

It is hereby agreed and declared that the insurance of this Policy is extended to cover contingencies hereunder specified :-

- (i) Human infectious or contagious disease manifested within any person whilst in the Premises
- (ii) Murder or suicide occurring at the Premises
- (iii) Injury or illness sustained by any person arising from or traceable to foreign injurious matter in the food or drink provided on the Premises
- (iv) Vermin or pests at the Premises
- (v) Defects in the drains and other sanitary arrangements at the Premises

which directly and solely results in the restriction of use of the Premises (whether total or partial) by the order of the competent public authority.

Any interruption of or interference with the Business of the Insured in accordance with the provisions herein contained in the Schedule shall be deemed to be DAMAGE as defined under the Policy.

**SPECIAL CONDITIONS**

1. Notifiable Disease or illness shall mean illness sustained by any person resulting from :

- a) food or drink poisoning, or
- b) any human infectious or human contagious disease [excluding Acquired Immune Deficiency Syndrome (AIDS)]

an outbreak of which the competent local authority has stipulated shall be notified to them.

2. For the purpose of this memorandum:

Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the occurrence discovery or accident, beginning -

- a) in the case of (i),(iv) and (v) above, with the date of the occurrence or discovery
- b) in the case of (ii) and (iii) above, with the date from which the restrictions on the Premises are applied

and ending not later than when restrictions are lifted or the Maximum Indemnity Period thereafter, whichever is the shorter period.

Maximum Indemnity Period shall mean .... months

Premises shall mean only those locations stated in the Premises definition; in the event that the policy includes an extension which deems loss destruction or damage at other locations to be an Incident such extension shall not apply to this memorandum.

3. The Insurer shall not be liable under this memorandum for any costs incurred in the cleaning, repair, replacement, recall or checking of property.
4. The Insurer shall only be liable for the loss arising at those Premises which are directly affected by the occurrence discovery or accident.
5. The Insurer's liability under this memorandum shall not exceed 10% of Sum Insured or RM10 million, whichever is lower in any one period of insurance, after the application of all other terms and conditions of the policy.

PROVIDED that the Insurers shall not be liable for any loss insured by this extension unless interruption of or interference with the Business of the Insured exceeds a period of seventy-two (72) hours and the liability of the insurer under this extension shall apply only to such period in excess of seventy-two (72) hours.

## **7.0 CLAUSES**

### **7.1 ACCOUNTANTS' CLAUSE**

Any particulars or details contained in the Insured' books or documents which may be required by the Insurers under condition 11 of this Policy for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Insured and their report shall be prima facie evidence of the particulars and details to which such report relates.

### **7.2 PAYMENT ON ACCOUNT CLAUSE**

Payment on account will be made to the Insured if desired provided that it is established that the loss is indemnifiable under this policy.

### **7.3 DEPARTMENTAL CLAUSE**

If the business be conducted in departments the independent trading results of which are ascertainable the provisions of Clauses (a) and (b) of Item 1 of the specifications attached shall apply separately to each Department affected by the damage except that if the Sum Insured by the said item be less than the aggregate of the Sums produced by applying the rate of Gross Profit for each department of the business (whether affected by the damage or not) to the relative annual output thereof, the amount payable shall be proportionately reduced.

**7.4 UPWARD ADJUSTMENT CLAUSE**

In the event of the \*Gross Profit/Gross Rental/Gross Revenue earned during any annual period of insurance (or during the accounting period of 12 months more nearly concurrent with any period of insurance) as certified by the Insured's Auditors being greater than the Sum Insured thereon, the Insured will be held covered to the extent of \_\_\_\_\_ % of the Sum Insured thereof and pro-rata additional premium not exceeding \_\_\_\_\_ % of the premium paid on such Sum Insured for such period of insurance will be charged in respect of the difference.

N.B. The maximum percentage of upward adjustment shall be limited to 25% only. An additional premium calculated at 75% of the upward adjustment percentage shall be imposed. This additional premium shall be treated as provisional, and shall be adjusted in accordance to the actual \*Gross Profit/Gross Rental/Gross Revenue earned as certified by the Insured's auditors.

\* To delete appropriately

**7.5 ALTERNATIVE BASIS CLAUSE**

It is agreed and declared that in the event of a claim, adjustment may be based on 'Turnover or Output' whichever affords the most equitable result, and except in the definition of turnover the word 'Turnover' wherever used in this Policy shall read as 'Turnover or Output'. 'Output' shall mean sale value of goods manufactured by, or sold by, the Insured in the course of the Business at the Premises, provided that: (a) only one such meaning shall be operative in connection with any one occurrence involving damage as within defined. (b) if the meaning set out in this Clause be used, the Alternative Trading Clause shall be held to be altered to read as follows:

Alternative Trading Clause

If during the Indemnity Period goods shall be manufactured elsewhere than at the Premises affected by the damage for the benefit of the Business either by the Insured or by others on the Insured's behalf the sale value of the goods so manufactured shall be brought into account in arriving at the output during the Indemnity Period.

**7.6 SALVAGE SALES CLAUSE**

If, following damage giving rise to a claim under this Policy, the Insured shall hold a salvage sale during the Indemnity Period, Clause (a) of Item No.1 of the specifications attached shall for the purpose of such claim read as follows:-

- a) IN RESPECT OF REDUCTION IN TURNOVER: the sum produced by applying Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall in consequence of the damage, fall short of the Standard Turnover from which sum shall be deducted from the Gross Profit actually earned during the period of the salvage sale.

**7.7 MATERIAL DAMAGE PROVISIO WAIVER CLAUSE**

It shall not be a condition precedent to liability in respect of interruption or interference in consequence of destruction or damage that the payment shall have been made or liability admitted under the Insurance covering the interest of the Insured in the property at the premises against such destruction or damage if no such payment shall have been made nor liability admitted solely owing to the operation of a proviso in such insurance excluding liability for losses below a specified amount.

**7.8. INTERDEPENDENCY CLAUSE**

It is hereby expressly declared and agreed that if damage to any of the joint Insured's premises/property should result in another of the Insured suffering a reduction in turnover or increase in cost of working then such loss is deemed to be covered by this Policy notwithstanding that no material damage was sustained by the latter premises/property.

Note : The Interdependency Clause may only be used for joint insureds who stand in the relationship as parent and subsidiary companies.

**7.9 ACCUMULATION OF STOCK CLAUSE**

In adjusting any loss account shall be taken and an equitable allowance made if any shortage of turnover due to the damage is postponed by reason of the turnover being temporarily maintained from accumulated stocks of finished goods in warehouses and/or depots.

**7.10 NEW BUSINESS CLAUSE**

For the purpose of any claim arising from damage occurring before the completion of the first year's trading of the business at the premises, the terms, 'Rate of Gross Profit', 'Annual Turnover' and 'Standard Turnover' shall bear the following meanings and not as within stated:-

**Rate of Gross Profit**

The rate of gross profit earned on the turnover during the Period between the commencement of the business and the date of the damage )to which such adjustment )shall be made as may be )necessary to provide )for the trend of the )business and the )variations in or special )circumstances affecting )the business either

**Annual Turnover**

The proportional equivalent for the period of twelve months of the turnover realised during the period between the commencement of the business and the date of the damage )before or after the )damage or which would )have affected the )business had the damage )not occurred, so that the )figures thus adjusted )shall represent as nearly



**Standard Turnover** ) as may be reasonably  
 ) practicable the results  
 The proportional equivalent for ) which but for the damage  
 a period equal to the Indemnity ) would have been obtained  
 Period, of the Turnover ) during the relative  
 realised during the period ) period after the damage  
 between the commencement )  
 of the business and the )  
 date of the damage )

After twelve months of trading have been completed the normal specification wording operates.

**N.B. : The gross profit specification wordings is shown as an example only. Member companies are required to substitute other wordings used other than gross profit.**

**7.11 Self-Insurance Clause**

It is hereby declared and agreed that the Insured agrees to self-insure and that the sum(s) insured nominated under [Item(s) no(s)..... of] this Policy represent(s) only ..... % of the actual amount on the interest insured herein.

In consequence of the foregoing, the Insured agrees to be his own insurer for the difference of .....% and undertakes to bear that rateable proportion of :-

- (a) each and every loss or damage (including any amounts in respect of fees charges costs and expenses) payable under this Policy.
- (b) any expenditure payable in the exercise of Condition 14 of this Policy; and
- (c) any refund premium due in accordance to the terms and provisions of the Premium Adjustment Clause where such a Clause is provided for and form part of this Policy.

It is further declared and agreed that in the event the sum(s) insured under [Item(s) no(s)..... of] this Policy is less than ..... % of the actual amount of the interest insured herein at the time of loss, the Condition of Average expressed in the specification of this Policy shall apply accordingly.

(N.B. This Clause can be used only in conjunction with the specifications which are subject to average)

**8.0 CONSEQUENTIAL LOSS POLICY**

In consideration of the Insured paying to ..... (hereinafter called "the Company") the First Premium

The Company agrees (subject to the Conditions contained herein or endorsed or otherwise expressed thereon) that if any building or other property or any part thereof used by the

Insured at the Premises for the purpose of the Business be destroyed or damaged by:-

- 1) Fire,
- 2) Lightning,
- 3) Explosion, in a building in which gas is not generated and which does not form part of any gasworks, of gas used therein for illuminating or domestic purposes.

(destruction or damage so caused being hereinafter termed Damage) at any time during the Period of Insurance or any subsequent period in respect of which the Company agrees to accept the premium required for the renewal of this Policy and the Business carried on by the Insured at the premises be in consequence thereof interrupted or interfered with

Then the Company will pay to the Insured in respect of each item in the Schedule hereto the amount of loss resulting from such interruption or interference in accordance with the provisions therein contained.

Provided that at the time of the happening of the Damage there shall be in force an insurance covering the interest of the Insured in the property at the premises against such Damage and that payment shall have been made or liability admitted therefor under such insurance.

And that the liability of the Company shall in no case exceed in respect of each item the sum expressed in the said Schedule to be insured thereon or in the whole the total sum insured hereby or such other sum or sums as may hereafter be substituted therefor by memorandum signed by or on behalf of the Company.

#### **CONDITIONS**

##### **1. MISDESCRIPTION**

If there be any material misdescription of the Business or Premises to which this insurance refers or any misrepresentation as to any fact material to be known for estimating the risk, or any omission to state such fact, the Company shall not be liable upon this Policy.

##### **2. PREMIUM PAYMENT**

No payment in respect of any premium shall be deemed to be payment to the Company unless a printed form of receipt for the same signed by an Official or duly appointed Agent of the Company shall have been given to the Insured.

##### **3. OTHER INSURANCE**

The Insured shall give notice to the Company of any insurance or insurances already effected, or which may subsequently be effected, covering any of the loss hereby insured against and unless such notice be given and the particulars of such insurance or insurances be stated in

or endorsed on this Policy by or on behalf of the Company before the occurrence of any Damage, all benefits under this Policy shall be forfeited.

**4. DISPLACEMENT**

Immediately upon any fall or displacement

- (a) of any building Damage to which might give rise to a claim under this Policy;
- (b) of any part of such building;
- (c) of the whole or any part of any range of buildings or of any structure of which such building forms part.

The insurance under this Policy shall cease in respect of loss resulting from Damage to such building or property therein

**PROVIDED THAT:-**

- (i) Such fall or displacement is of the whole or a substantial or important part of such building or impairs the usefulness of such building or any part thereof or leaves such building or any part thereof or any property contained therein subject to increased risk of Damage or is otherwise material;
- (ii) Such fall or displacement is not caused by Damage, loss resulting from which is covered by this Policy or would be covered if such building or range of buildings or structure were included in the Premises to which this Policy refers

If any claim be made upon this Policy in consequence of Damage whether occurring before, during or after such fall or displacement the Insured shall produce such proof as may reasonably be required that the loss was not, either in origin or in extent, directly or indirectly, proximately or remotely; occasioned by or contributed to by any such fall or displacement and did not either in origin or extent, directly or indirectly, proximately or remotely, arise out at or in connection with any such fall or displacement.

**5. EXCLUDED INTERRUPTION LOSS**

The Company shall not be liable in so far as the interruption loss is increased :-

- a) by extraordinary events taking place during the interruption,
- b) by restrictions imposed by the authorities on the reconstruction or operation of the business,
- c) due to the insured's lack of sufficient capital for timely restoration or replacement of property destroyed, damaged or lost.

**6. EXCLUDED COVER**

This insurance does not cover:-

Loss occasioned by or happening through or in consequence of:-

- (a) The burning of property by order of any Public Authority,
- (b) Subterranean Fire,
- (c) Explosion except as stated on the Policy.
- (d) The burning, whether accidental or otherwise, of forests, bush lallang prairie, pampas or jungle and the clearing of lands by fire,
- (e) Damage to property occasioned by its own fermentation, natural heating or spontaneous combustion or by its undergoing any heating or drying process.

**7. EXCLUDED COVER**

This insurance does not cover any loss resulting from Damage which either in origin or extent is directly or indirectly, proximately or remotely, occasioned by or contributed to by any of the following occurrences, or which, either in origin or extent, directly or indirectly, proximately or remotely, arises out of or in connection with any of such occurrences namely:-

- (a) Earthquake, volcanic eruption, typhoon, hurricane, tornado, cyclone or other convulsion of nature or atmospheric disturbance,
- (b) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), mutiny, riot, civil commotion, insurrection, rebellion, revolution, conspiracy, military or usurped power, martial law or state of siege, or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege.
- (c) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
- (d) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
- (e) any act of terrorism

For this purpose an act of terrorism means an act, 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), 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.

Any loss resulting from Damage happening during the existence of abnormal conditions (whether physical or otherwise), directly or indirectly, proximately or remotely, occasioned by or contributed to by or arising out of or in connection with any of the said occurrences shall be deemed to be loss not covered by this insurance, except to the extent that the insured shall prove that such Damage happened independently of the existence of such abnormal conditions.

In any action, suit or other proceeding, where the Company alleges that by reason of the provisions of this condition any loss is not covered by this insurance, the burden of proving that such loss is covered shall be upon the insured.

**8. CHANGE IN RISK**

The insurance by this Policy shall cease if:-

- (a) the Business be wound up or carried on by a Liquidator or Receiver or permanently discontinued  
or
- (b) the insured's interest cease otherwise than by death  
or
- (c) any alteration be made either in the Business or in the Premises or property therein whereby the risk of Damage is increased, at any time after the commencement of this insurance, unless its continuance be admitted by memorandum signed by or on behalf of the Company.

**9. INCREASE IN RISK**

Notice shall be given to the Company and, if required, an additional premium paid, if the rate of premium payable in respect of the insurance covering the interest of the insured in the property at the Premises against Damage shall be increased.

**10. CANCELLATION**

This insurance may be terminated at any time at the request of the insured, in which case the Company will retain the customary short period rate for the time the Policy has been in force. This insurance may also at any time be terminated at the option of the Company on notice to that effect being given to the Insured, in which case the Company shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of the cancellation.

**11. CLAIM PROCEDURE**

On the happening of any Damage in consequence of which a claim is or may be made under this Policy, the Insured shall forthwith give notice thereof to the Company and shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss and in the event of a claim being made under this Policy shall, not later than thirty days after the expiry of the Indemnity Period or within such further time as the Company may in writing allow, at his own expense deliver to the Company in writing a statement setting forth particulars of his claim, together with details of all other insurances (if any) covering the Damage or any part of it or consequential loss or any kind resulting therefrom. The Insured shall at his own expense produce, procure and give to the Company such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by or on behalf of the Company for the purpose of investigating or verifying the claim together with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith. No claim under this Policy shall be payable unless the terms of this condition have been complied with and in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Company forthwith.

**12. FRAUD**

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 Damage be occasioned by the wilful 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 in pursuance of the 15th Condition of this Policy) within three months after the Arbitrator or Arbitrators or Umpire shall have made their award, all benefit under this Policy shall be forfeited.

**13. CONTRIBUTION**

If at the time of any loss under this Policy there be any other subsisting insurance, whether effected by the insured or by any other person or persons covering such loss or any part of it, the Company shall not be liable to pay or contribute hereunder more than its rateable portion of such loss.

**14. SUBROGATION**

The Insured shall, at the expenses of the Company, do and concur in doing, and permit to be done, all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated, upon its paying for any loss under this Policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.

**15. ARBITRATION**

If any difference arises as to the amount of any loss such difference shall independently of all other questions be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference, or, if they cannot agree upon a single Arbitrator, to the decision of two disinterested persons as Arbitrators, of whom one shall be appointed in writing by each of the parties within two calendar months after having been required so to do in writing by the other party. In case either party shall refuse or fail to appoint an Arbitrator within two calendar months after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole Arbitrator; and in case of disagreement between the Arbitrators, the difference shall be referred to the decision of an Umpire who shall have been appointed by them in writing before entering on the reference and who shall sit with the Arbitrators and preside at their Meetings. The death of any party shall not revoke or affect the authority or powers of the Arbitrator, or Arbitrators or Umpire respectively, and in the event of the death of an Arbitrator or Umpire, another shall in each case be appointed in his stead by the party or Arbitrators (as the case may be) by whom the Arbitrator or Umpire so dying was appointed. The cost of the reference and of the award shall be at the discretion of the Arbitrator, Arbitrators or Umpire making the award. And 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 or Umpire of the amount of the loss if disputed shall be first obtained.

**16. REINSTATEMENT OF SUM INSURED**

In consideration of the Insured undertaking to pay an additional premium at the agreed rate on the amount of loss calculated on a pro rata basis from the date of such loss to the expiry of the correct period of insurance, it is agreed that in the event of loss the insurance hereunder shall be maintained in force for the full sum insured.

**17. TIME LIMITATION**

In no case whatever shall the Company be liable in respect of any claim under this Policy after the expiration of

- (a) one year from the end of the Indemnity Period, or if later,
- (b) three months from the date on which payment shall have been made or liability admitted by the insurers covering the Damage giving rise to the said claim,

unless the claim is the subject of pending action or arbitration.

#### **18. MEANING**

This Policy and the Schedule 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 the Policy or of the Schedule shall bear such specific meanings wherever they may appear.

#### **19. NOTICE**

Every notice and other communication to the Company required by these conditions must be written or printed.

#### **9.0 SPECIFICATIONS WORDINGS**

The use of the following specification wordings is mandatory. However, where a combination of cover is desired (for example, gross profit with wages on dual basis), the specification wordings may be suitably combined. The use of any other specification wordings other than those specified in this section would require the approval of the Association.

#### **9.1 GROSS PROFIT DIFFERENCE BASIS WORDING**

SPECIFICATION referred to in Policy No : \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an integral part of that policy.

<b>Item No.</b>	<b>Sum Insured</b>
1. On Gross Profit	

THE INSURANCE UNDER ITEM NO. 1 is limited to loss of Gross Profit due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as Indemnity thereunder shall be :

- (a) IN RESPECT OF REDUCTION IN TURNOVER : The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the damage fall short of the Standard Turnover.
- (b) IN RESPECT OF INCREASE IN COST OF WORKING : The additional expenditure (subject to the provisions of the Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided :



less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of the damage :

provided that if the Sum Insured by this Item be less than the sum produced by applying the rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

**DEFINITIONS**

**GROSS PROFIT** The amount by which the sum of the Turnover, Closing Stock and Work-in-Progress shall exceed the sum of the Opening Stock, Work-in-Progress and the Specified Working Expenses.

N.B. 1  
The amount of the Opening and Closing Stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

N.B. 2  
The words and expressions used in this Definition shall have the meaning usually attached to them in the books and accounts of the Insured unless otherwise defined in this specification.

**SPECIFIED WORKING EXPENSES** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**TURNOVER** The money (less discount allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.

**INDEMNITY PERIOD** The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD** \_\_\_\_\_ months

**RATE of GROSS PROFIT** ) to which such adjustment  
The rate of Gross Profit ) shall be made as  
earned on the turnover during ) necessary to provide for  
the financial year immediately ) the trend of the business  
before the date of damage ) and for variations in or  
 ) special circumstances

**ANNUAL TURNOVER**

The Turnover during the twelve months immediately before the date of the damage ) affecting the business ) either before or after the damage or which would have affected the business had the damage not occurred

**STANDARD TURNOVER**

The Turnover during that period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period. ) so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.

Alternative Trading Clause. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Uninsured Standing Charges Clause. If any standing charges of the business be not insured by this policy (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and all the Uninsured Standing Charges.

Premium Adjustment Clause. In the event of the Gross profit (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) earned during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the Insured's Auditors, being less than the sum insured thereon a pro-rata return of premium not exceeding fifty per cent (50%) of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this section, such return shall be made in respect only of so much of the said difference as is not due to such damage.

This Premium Adjustment Clause is only valid for twelve (12) months from the date of expiry of the Policy.

**9.2 DUAL BASIS WAGES WORDING**

SPECIFICATION referred to in Policy No : \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an integral part of that policy.

Item No.	Sum Insured
1. On Wages	

THE INSURANCE UNDER ITEM NO. 1 is limited to loss in respect of Wages and the amount payable as indemnity thereunder shall be :

(a) IN RESPECT OF REDUCTION IN TURNOVER :

- (i) during the Initial Period : the sum produced by applying the Rate of Wages to the shortage in Turnover during such period less any saving during such period through reduction in consequence of the damage in the amount of Wages paid.
- (ii) during the remaining portion of the Indemnity Period : the sum produced by applying the Rate of Wages to the shortage in Turnover during such period less any saving during period through reduction in consequence of the damage in the amount of Wages paid but not exceeding the sum produced by applying the remainder percentage of the Rate of Wages to the shortage in Turnover during the said remainder portion of the Indemnity Period increased by such amount as is deducted for savings under the terms of Clause (i).

Note : At the option of the Insured the Alternative Period may be substituted for the Initial Period provided that the amount arrived at under the provisions of Clause (a) (ii) shall not exceed such amount as is deducted under Clause (a) (i) for savings effected during the Alternative Period.

b) IN RESPECT OF INCREASE IN COST OF WORKING :

so much of the additional expenditure described in Clause (b) of the relative gross profit item as exceeds the amount payable thereunder :

but not more than the additional amount which would have been payable in respect of Reduction in Turnover under the provisions of Clause (a) (i) and (ii) of this Item had such expenditure not been incurred :

Provided that if the Sum Insured by this Item be less than the sum produced by applying the Rate of Wages to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable under this Item shall be proportionately reduced.

**DEFINITIONS**

**INDEMNITY PERIOD** The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD** \_\_\_\_\_ months

**INITIAL PERIOD** The portion of the Indemnity Period beginning with the occurrence of the damage and ending not later than \_\_\_\_\_ weeks thereafter.

<b>REMAINDER PERCENTAGE</b>	_____ per cent.
<b>ALTERNATIVE PERIOD</b>	The portion of the Indemnity Period beginning with the occurrence of the damage and ending not later than _____ weeks thereafter.
<b>WAGES</b>	The remuneration (including EPF contribution, SOCSO, bonuses, holiday pay or other payments pertaining to Wages) of all employees
<b>RATE OF WAGES</b>	The Rate of Wages to Turnover during the financial year immediately before the date of the damage to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or after the damage or circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.
<b>TURNOVER</b>	The money (less discount allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.
<b>ANNUAL TURNOVER</b>	The Turnover during the twelve months immediately before the date of the damage.
<b>STANDARD TURNOVER</b>	The Turnover during that period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period.
<b>SHORTAGE IN TURNOVER</b>	The amount by which the Turnover during a period shall in consequence of the damage fall short of the part of the Standard Turnover which relates to that period.

Alternative Trading Clause. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Uninsured Standing Charges Clause. If any standing charges of the business be not insured by this policy (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and all the Uninsured Standing Charges.

Premium Adjustment Clause. In the event of the Wages (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) earned during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the Insured's Auditors, being less than the sum insured thereon a pro-rata return of premium not exceeding fifty per cent (50%) of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this section, such return shall be made in respect only of so much of the said difference as is not due to such damage.

This Premium Adjustment Clause is only valid for twelve (12) months from the date of expiry of the Policy.

### 9.3 GROSS PROFIT ADDITION BASIS WORDINGS

SPECIFICATION referred to in Policy No. \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an integral part of that policy.

<b>Item No.</b>	<b>Sum Insured</b>
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1. On Gross Profit	
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THE INSURANCE UNDER ITEM NO. 1 is limited to loss of Gross Profit due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as Indemnity thereunder shall be :

- (a) IN RESPECT OF REDUCTION IN TURNOVER : The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the damage fall short of the Standard Turnover:
- (b) IN RESPECT OF INCREASE IN COST OF WORKING : The additional expenditure (subject to the provisions of the Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided:

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the damage :

provided that if the Sum Insured by this Item be less than the Sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

#### DEFINITIONS

**GROSS PROFIT** The sum produced by adding to the Net Profit the amount of the Insured Standing Charges or if there be no Net Profit the amount of the Insured Standing Charges less such a proportion of any net trading loss as

the amount of the Insured Standing Charges bears to all the Standing Charges of the business.

**NET PROFIT** The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the premises after due provision has been made for all standing and other charges including depreciation but before the deduction of any taxation chargeable on profits.

**INSURED  
STANDING  
CHARGES** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**TURNOVER** The money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.

**INDEMNITY  
PERIOD** The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM  
INDEMNITY  
PERIOD** \_\_\_\_\_ months

**RATE OF GROSS PROFIT**  
The rate of Gross Profit earned on the turnover during the financial year immediately before the date of damage. ) to which such adjustment ) shall be made as may be ) necessary to provide for ) the trend of the business ) and for variations in or ) special circumstances ) affecting the business ) either before or after the ) damage or which would have ) affected the business had ) the damage not occurred ) so that the figures thus ) adjusted shall represent ) as nearly as may be ) reasonably practicable the ) results which but for the ) damage would have been ) obtained during the ) relative period after the ) damage.

**ANNUAL TURNOVER**  
The Turnover during the twelve months immediately before the date of the damage )

**STANDARD TURNOVER**  
The Turnover during that period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period. )

Alternative Trading Clause. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on their behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Uninsured Standing Charges Clause. If any standing charges of the business be not insured by this policy then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Insured Standing Charges bears to the sum of Net Profit and all the Standing Charges.

Premium Adjustment Clause. In the event of the Gross profit (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) earned during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the insured's Auditors being less than the sum insured thereon a pro-rata return of premium not exceeding fifty per cent (50%) of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this policy, such return shall be made in respect only of so much of the said difference as is not due to such damage.

This Premium Adjustment Clause is only valid for twelve (12) months from the date of expiry of the Policy.

#### 9.4 GROSS REVENUE WORDING

SPECIFICATION referred to in Policy No : \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an integral part of that Policy.

<b>Item No.</b>	<b>Sum Insured</b>
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1. On Gross Revenue	
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THE INSURANCE UNDER ITEM NO. 1 is limited to (a) LOSS OF GROSS REVENUE and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:

- (a) IN RESPECT OF LOSS OF GROSS REVENUE : The amount by which the Gross Revenue during the Indemnity Period shall in consequence of the damage fall short of the Standard Gross Revenue.
- (b) IN RESPECT OF INCREASE IN COST OF WORKING : The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the amount of the reduction hereby avoided :

less any sum saved during the Indemnity Period in respect of such of the Working Expenses and Standing Charges of the business as may cease or be reduced in consequence of the damage :

provided that if the Sum Insured by this item be less than the Annual Gross Revenue (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

**DEFINITIONS**

**INDEMNITY PERIOD** The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD** \_\_\_\_\_ months

**GROSS REVENUE** The money paid or payable to the Insured in respect of work done and services rendered in the course of the business at the premises, excluding .....

**STANDARD GROSS REVENUE** ) to which such adjustments  
 The Gross Revenue during ) shall be made as may be  
 that period in the twelve ) necessary to provide for  
 months immediately before ) the trend of the business  
 the date of the damage ) and for variation in or other  
 which corresponds with the ) circumstances affecting the  
 Indemnity Period. ) business either before or  
 ) after the damage or which  
**ANNUAL GROSS REVENUE** ) would have affected the  
 The Gross Revenue during ) business had the damage not  
 the twelve months ) occurred so that the figures  
 immediately before the ) thus adjusted shall represent  
 date of the damage ) as nearly as may be reasonably  
 ) practicable the results which  
 ) but for the damage would have  
 ) been obtained during the  
 ) relative period after the  
 ) damage.

Alternative Trading Clause. If during the Indemnity Period work shall be done or services shall be rendered elsewhere than at the premises for the benefit of the business either by the insured or by others on their behalf the money paid or payable in respect of such work or services shall be brought into account in arriving at the Revenue during the Indemnity Period.

Premium Adjustment Clause. In the event of the Gross Revenue (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) earned during the financial year most nearly concurrent with any period of insurance as certified by the Insured's Professional Accountants being less than the Sum Insured thereon a pro-rata return of premium not exceeding 50 per cent of the premium paid on such Sum Insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this policy such return shall be made in respect only of so much of the said difference as is not due to such damage.

This Premium Adjustment Clause is only valid for twelve (12) months from the date of expiry of the Policy.

**9.5 STANDING CHARGES ONLY WORDING**

SPECIFICATION referred to in Policy No. \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an interegral part of that policy.



**Item No.** **Sum Insured**

1. On standing charges only

THE INSURANCE UNDER ITEM NO. 1 is limited to loss in respect of INSURED STANDING CHARGES due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as Indemnity thereunder shall be:

- (a) IN RESPECT OF REDUCTION IN TURNOVER : The sum produced by applying the Rate Payable to the amount by which the Turnover during the Indemnity Period shall in consequence of the damage fall short of the Standard Turnover.
- (b) IN RESPECT OF INCREASE IN COST OF WORKING : The additional expenditure (subject to the provisions of Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the sum produced by applying the Rate Payable to the amount of the reduction thereby avoided:

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the damage:

provided that if the Sum Insured by this Item be less than the sum produced by applying the Rate Payable to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

**DEFINITIONS**

**NET PROFIT**                    The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the premises after due provision has been made for all standing and other charges including depreciation but before the deduction of any taxation chargeable on profits.

**INSURED STANDING CHARGES**    The amount for the undermentioned Insured Standing Charges, or if the business is showing a net trading loss the amount of the said Insured Standing Charges less such a proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the Standing Charges of the business.

**LIST OF INSURED STANDING CHARGES**    \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**TURNOVER**                    The money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the premises.

**INDEMNITY PERIOD** The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD** \_\_\_\_\_ months

**RATE PAYABLE**

The percentage that the Insured Standing Charges bears to the Turnover during the financial year immediately before the date of damage. ) to which such adjustment ) shall be made as may be ) necessary to provide for ) the trend of the business ) and for variations in or ) special circumstances ) affecting the business

**ANNUAL TURNOVER**  
The Turnover during the twelve months immediately before the date of damage. ) either before or after the ) damage or which would have ) affected the business had ) the damage not occurred so ) that the figures thus

**STANDARD TURNOVER**  
The Turnover during that period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period. ) adjusted shall represent as ) nearly as may be reasonably ) practicable the results ) which but for the damage ) would have been obtained ) during the relative period ) after the damage.

Alternative Trading Clause. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on their behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the turnover during the Indemnity Period.

Uninsured Standing Charges Clause. If any standing charges of the business be not insured by this policy then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Insured Standing Charges bears to the sum of Net Profit and all the Standing Charges.

**9.6 GROSS RENTAL WORDING**

SPECIFICATION referred to in Policy No. \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an integral part of that policy.

<b>Item No.</b>	<b>Sum Insured</b>
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1. On Gross Rental

THE INSURANCE UNDER ITEM NO. 1 is limited to (a) LOSS OF GROSS RENTAL and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be :

(a) IN RESPECT OF LOSS OF GROSS RENTAL : The amount by which the Gross Rental during the Indemnity Period shall in consequence of the damage fall short of the Standard Gross Rental

(b) IN RESPECT OF INCREASE IN COST OF WORKING : The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Loss of Gross Rental which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the amount of the reduction in Gross Rental thereby avoided :

less any sum saved during the Indemnity Period in respect of such of the expenses and charges payable out of Gross Rental as may cease or be reduced in consequence of the damage :

provided that if the sum insured by this item be less than the Annual Gross Rental (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

**DEFINITIONS**

**GROSS RENTAL** The money paid or payable to the insured by tenants in respect of rental of the Premises.

**INDEMNITY PERIOD** The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the Gross Rental shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD** \_\_\_\_\_ months

**STANDARD GROSS RENTAL** ) to which such adjustments  
 The Gross Rental during the ) shall be made as may be  
 period corresponding with the ) necessary to provide for  
 Indemnity Period in the ) the trend of the business  
 twelve months immediately ) and for variations in or  
 before the date of the damage ) other circumstances  
 which corresponds with the ) affecting the business  
 Indemnity Period ) either before or after the  
 ) damage or which would have  
**ANNUAL GROSS RENTAL** ) affected the business had  
 The Gross Rental during the ) the damage not occurred so  
 twelve months immediately ) that the figures thus  
 before the date of the damage ) adjusted shall represent as  
 ) nearly as may be reasonably  
 ) practicable the results  
 ) which but for the damage  
 ) would have been obtained  
 ) during the relative period  
 ) after the damage.

Alternative Trading Clause. If during the Indemnity Period the business shall be conducted elsewhere than at the premises the money paid or payable to the Insured in respect of rent at such other premises shall be brought into account in arriving at the Gross Rental during the Indemnity Period.

Premium Adjustment Clause. In the event of one time the Gross Rental (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the Insured's auditors being less than the sum insured thereon a pro rata return of premium not exceeding 50 percent of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this policy such return shall be made in respect only of so much of the said difference as is not due to such damage.

This Premium Adjustment Clause is only valid for twelve (12) months from the date of expiry of the Policy.

#### 9.7 100% WAGES WORDING

SPECIFICATION referred to in Policy No : \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an integral part of that policy.

<b>Item No.</b>	<b>Sum Insured</b>
-----------------	--------------------

1. On Wages

THE INSURANCE ON ITEM NO. 1 is limited to loss in respect of WAGES due to (a) Reduction in Turnover and (b) Increase in Cost of Working, and the amount payable as indemnity thereunder shall be:

- a) IN RESPECT OF REDUCTION IN TURNOVER : The sum produced by applying the Rate of Wages to the amount by which the turnover during the Indemnity Period shall in consequence of the damage fall short of the Standard Turnover.
- b) IN RESPECT OF INCREASE IN COST OF WORKING : The additional expenditure (subject to the provisions of Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the sum produced by applying the Rate of Wages to the amount of the reduction thereby avoided:

less any sum saved during the Indemnity Period if Wages shall cease or be reduced in consequence of the damage. It being understood that allowances to employees retained in the insured's services during the Indemnity Period while unable to work in consequence of the damage shall be treated as wages paid :

provided that if the sum insured by this item be less than the sum produced by applying the Rate of Wages to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

#### DEFINITIONS

**WAGES** The remuneration (including EPF contribution, SOCSO, bonuses, holiday pay or other payments pertaining to payroll) of all employees other than those whose remunerations is treated as salaries in the insured's book of accounts.

**INDEMNITY PERIOD** The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM** \_\_\_\_\_ months.  
**INDEMNITY**  
**PERIOD**

**RATE OF WAGES** ) to which such adjustments  
 The Rate of Wages earned on ) shall be made as may be  
 the Turnover during the ) necessary to provide for  
 financial year immediately ) the trend of the business  
 before the date of the damage.) and for variations in or  
 ) other circumstances  
**ANNUAL TURNOVER** ) affecting the business  
 The Turnover during the ) either before or after the  
 twelve months immediately ) damage or which would have  
 before the date of the damage.) affected the business had  
 ) the damage not occurred so  
**STANDARD TURNOVER** ) that the figures thus  
 The Turnover during that ) adjusted shall represent as  
 period in the twelve months ) nearly as may be reasonably  
 immediately before the damage ) practicable the results  
 which corresponds with the ) which but for the damage  
 Indemnity Period. ) would have been obtained  
 ) during the relative period  
 ) after the damage.

Alternative Trading Clause. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Uninsured Standing Charges Clause. In computing the amount recoverable hereunder as Increase In Cost Of Working, that proportion only of the additional expenditure incurred in respect of the Indemnity Period shall be brought into account which the amount of Wages bears to the sum of Net Profit and all the Standing Charges and Wages.

**9.8 INCREASED COST OF WORKING ONLY WORDING**

SPECIFICATION referred to in Policy No : \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an integral part of the policy.

**Item No :** **Sum Insured**

- 1. On Increase in Cost Of Working Only

The insurance under Item No. 1 is limited to Increase in Cost Of Working and the amount payable as Indemnity thereunder shall be :

The additional expenditure necessarily and reasonably incurred by the insured during the Indemnity Period and in consequence of the damage for the sole purpose of avoiding or diminishing a reduction in Turnover or for the purpose of resuming or maintaining normal business operation:

less any sum saved during the Indemnity Period in respect of any revenue expenditure as may cease or be reduced in consequence of the damage:

provided always that the liability of the Company shall not exceed:

- a) in respect of the first month of the Indemnity Period 40 per cent of the amount insured by this item :
- b) in respect of the second month of the Indemnity Period 20 per cent of the amount insured by this item:
- c) in respect of the subsequent months of the Indemnity Period 10 per cent of the amount insured by this item:

but if the expenditure for the first and second month of the Indemnity Period is less than the limits specified above the unexhausted balance may be utilised by the insured in the subsequent months of the Indemnity Period.

#### DEFINITIONS

**INDEMNITY PERIOD** The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD** \_\_\_\_\_ months

**TURNOVER** The money (less discount allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.

#### 9.9 PRO-RATA WAGES WORDING

SPECIFICATION referred to in Policy No : \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an integral part of that policy.

<b>Item No.</b>	<b>Sum Insured</b>
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1. On Wages	
-------------	--

THE INSURANCE UNDER ITEM NO. 1 is limited to loss incurred by the insured by the payment of Wages for a period beginning with the occurrence of the damage and ending not later than the Indemnity Period.

The amount payable as indemnity under this item shall be the actual amount which the insured shall pay as wages for such period to employees whose services cannot in consequence of the damage be utilised by the insured at all and an equitable part of the wages paid for such period to employees whose services cannot in consequence of the damage be utilised by the insured to the full :

provided that if the sum insured by this item be less than the aggregate amount of the wages that would have been paid during the Maximum Indemnity Period immediately following the damage had the damage not occurred the amount payable shall be proportionately reduced.

**DEFINITIONS**

<b>WAGES</b>	The remuneration (including EPF contribution, SOCSO, bonuses, holiday pay or other payments pertaining to payroll) of all employees other than those whose remunerations is treated as salaries in the insured's book of accounts.
<b>INDEMNITY PERIOD</b>	The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.
<b>MAXIMUM INDEMNITY PERIOD</b>	_____ weeks.

**9.10 BOOK DEBTS WORDING**

SPECIFICATION referred to in Policy No. \_\_\_\_\_ in the name\_of \_\_\_\_\_ and forming an integral part of that policy.

<b>Item No.</b>	<b>Sum Insured</b>
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1. On Book Debts	
------------------	--

The Insurance under Item no. 1 is limited to the loss sustained by the insured in respect of Book Debts shown in the Insured's record of Account Receivable, directly due to the damage and the amount payable in respect of any one occurrence of damage shall not exceed :-

- (i) the difference between
  - (a) Book Debts
  - and
  - (b) the total of the amounts received or traced in respect thereof
- (ii) the additional expenditure incurred with the previous consent of the company in tracing and establishing customer's debit balance after the damage;

provided that if the Sum Insured by this Item be less than the Book Debts the amount payable shall be proportionately reduced.

**DEFINITIONS**

<b>BOOKS DEBTS</b>	The total declared in the statement last given under the provisions of Memo 1 adjusted for :-
	(a) bad debts;

- (b) amount debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the damage) to customer's account in the period between the date to which said last statement relates and the date of the damage, and
- (c) any abnormal conditional of trade which had or could have had as material effect on the business, so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have obtained at the date of the damage had the damage not occurred.

**CUSTOMERS'  
ACCOUNTS**

This insurance applies to outstanding debit balances derived from accounts of all room guests on credit or otherwise, F & B guest on credit; travel agent on credit; international credit card companies and other trade debtors

**WARRANTY**

It is warranted that the Insured's books of account or other business books or records or computer storage media in which customers' account are shown shall be kept in fire resisting safes and cabinets.

**Memo 1**

The Insured shall within thirty days of the end of each month deposit with the Company a signed statement showing the total amount outstanding in customers' accounts as set out in the Insured's accounts as the end of the said month.

On expiry of each period of insurance the actual premium shall be calculated at the rate per cent annum on the average amount insured, i.e. the total of the sum declared divided by the number of declarations. If the actual premium shall be less than the First premium (or in the case of the second and subsequent periods of insurance the Annual Premium) the difference shall be repaid to the Insured, but such repayment shall not exceed one-half of the First or Annual Premium respectively.

If the amount of declaration exceeds the sum insured applicable at the date of such declarations, then for the purpose of this memorandum only, the Insured shall be deemed to have declared such sum insured.

In consideration of the insurance not being reduced by the amount of any loss the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the period of insurance.



**9.11 ADDITIONAL INCREASE COSTS OF WORKING**

The insurance under item No. \_\_\_\_\_ is limited to such further additional expenditure beyond that recoverable under clause (b) of item No. \_\_\_\_\_ on gross profit and item No. \_\_\_\_\_ on wages/payroll as the insured shall necessarily and reasonably incur during the indemnity period in consequence of the damage for the purpose of avoiding or diminishing the reduction in turnover.

**9.12 AUDITORS' FEES CLAUSE**

The insurance under item No. \_\_\_\_\_ of this Policy is limited to reasonable fees payable by the Insured to their Auditors for producing and certifying any particulars or details contained in the Insured's books of account or other business books or documents or such other proofs, information or evidence as may be required by the Company under the terms of condition 11 of this policy.

**9.13 100% WAGES AND SALARIES ON PAYROLL BASIS WORDING**

SPECIFICATION referred to in Policy No : \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an integral part of that policy.

<b>Item No.</b>	<b>Sum Insured</b>
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1. On Payroll	
---------------	--

THE INSURANCE ON ITEM NO. 1 is limited to loss in respect of PAYROLL due to (a) Reduction in Turnover and (b) Increase in Cost of Working, and the amount payable as indemnity thereunder shall be:

- a) IN RESPECT OF REDUCTION IN TURNOVER : The sum produced by applying the Rate of payroll to the amount by which the turnover during the Indemnity Period shall in consequence of the damage fall short of the Standard Turnover.
- b) IN RESPECT OF INCREASE IN COST OF WORKING : The additional expenditure (subject to the provisions of Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the sum produced by applying the Rate of Payroll to the amount of the reduction thereby avoided:

Less any sum saved during the Indemnity Period if Payroll shall cease or be reduced in consequence of the damage. It being understood that allowances to employees retained in the insured's services during the Indemnity Period while unable to work in consequence of the damage shall be treated as payroll paid :

Provided that if the sum insured by this item be less than the sum produced by applying the Rate of Payroll to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

#### DEFINITIONS

**PAYROLL** The remuneration (including employees provident fund, bonuses, SOCSO contribution, pensions insurance costs or other payments pertaining to payroll) of all employees

**WAGES** payments made to employees who are concerned with production and all others whose remuneration is not included as salaries.

**SALARIES** payments made usually weekly or monthly to staff permanently employed and whose duties are not directly concerned with production or, if so are in an executive capacity.

**INDEMNITY PERIOD** The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD** \_\_\_\_\_ months.

**RATE OF PAYROLL** ) to which such adjustments  
The Rate of Payroll earned ) shall be made as may be  
on the Turnover during the ) necessary to provide for  
financial year immediately ) the trend of the business  
before the date of the damage.) and for variations in or  
) other circumstances  
**ANNUAL TURNOVER** ) affecting the business  
The Turnover during the ) either before or after the  
twelve months immediately ) damage or which would have  
before the date of the damage.) affected the business had  
) that the figures thus  
**STANDARD TURNOVER** ) adjusted shall represent as  
The Turnover during that ) nearly as may be reasonably  
period in the twelve months ) practicable the results  
immediately before the damage ) which but for the damage  
which corresponds with the ) would have been obtained  
Indemnity Period. ) during the relative period  
) after the damage.

**ALTERNATIVE TRADING CLAUSE.** If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

UNINSURED STANDING CHARGES CLAUSE. In computing the amount recoverable hereunder as Increase In Cost Of Working, that proportion only of the additional expenditure incurred in respect of the Indemnity Period shall be brought into account which the amount of payroll bears to the sum of Net Profit and all the Standing Charges and Payroll.

**9.14 NET TAKINGS BASIS**

SPECIFICATION referred to in Policy No. \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an integral part of that policy.

<b>Item No.</b>	<b>Sum Insured</b>
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1. On Net Takings

THE INSURANCE UNDER ITEM NO. 1 is limited to (a) Loss of Net Takings and (b) Increase in Cost of Working, and the amount payable as indemnity thereunder shall be:

(a) IN RESPECT OF REDUCTION IN TURNOVER: the sum produced by applying the Rate of Net Takings to the amount by which the Turnover during the Indemnity Period shall, in consequence of the damage, fall short of the Standard Turnover.

(b) IN RESPECT OF INCREASE IN COST OF WORKING: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage, but not exceeding the sum produced by applying the Rate of Net Takings to the amount of the reduction thereby avoided:

less any sum saved during the Indemnity Period in respect of such of the charges and working expenses of the business payable out of Net Takings as may cease or reduced in consequence of the damage:

provided that if the Sum Insured by this Item be less than the sum produced by applying the Rate of Net Takings to the Annual Turnover, the amount payable shall be proportionately reduced.

**DEFINITIONS**

**NET TAKINGS**                   The amount by which the Turnover shall exceed the amount of the Purchases relative thereto.

**TURNOVER**                     Net value of Sales made and charges for work done in course of the business at the premises.

**INDEMNITY PERIOD**       The period beginning with the occurrence of the damage and ending not later than \_\_\_\_\_ months thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM  
INDEMNITY** \_\_\_\_\_ months  
**PERIOD**

<b>RATE OF NET TAKINGS</b>	)	to which such adjustments
The rate of Net Takings	)	shall be made as may be
earned on the Turnover during	)	necessary to provide for
the financial year	)	the trend of the business
immediately before the date	)	and for variations in or
of the damage	)	other circumstances affecting
	)	the business either before
<b>ANNUAL TURNOVER</b>	)	or after the damage or
The Turnover during the	)	which would have affected
twelve months immediately	)	the business had the damage
before the date of the damage	)	not occurred, so that the
	)	figures thus adjusted shall
<b>STANDARD TURNOVER</b>	)	represent as nearly as may
The Turnover during that	)	be reasonably practicable
period in twelve months	)	the results which but for
immediately before the date	)	the damage would have been
of the damage which	)	obtained during the relative
corresponds with the	)	period after the damage.
Indemnity Period	)	

Memo 1. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

(NB: The above specification is applicable to small retail business only for e.g. sundry shops, coffeeshops, grocery stores).

**MODEL PROPOSAL FORM****FIRE CONSEQUENTIAL LOSS INSURANCE PROPOSAL FORM**

Cover Note/Policy No.....Agency.....A/C No.....

**STATEMENT PURSUANT TO SECTION 149(4) OF THE INSURANCE ACT, 1996.** You are to disclose in this proposal form, fully and faithfully, all the facts which you know or ought to know otherwise this policy may be invalidated.

**DETAILS OF PROPOSER:**

Name of Proposer:

Postal Address:

Situation of Premises to which  
the insurance is to apply:

Nature of Business carried on therein:

Period of Insurance: From.....to.....(Both dates inclusive)

<b><u>Item No.</u></b>	<b><u>The Indemnity</u></b>	<b><u>Sum Insured (RM)</u></b>
1.	Gross Profits	
2.	Dual Wages (100% for.....weeks and .....% for remainder of Indemnity Period)	
3.	Auditors Fees	
4.	Others (Please specify)	

**Indemnity Period:** .....months**GENERAL QUESTIONNAIRES:**

1. How long has the business been established?

| \_\_\_\_\_

Page 2

- 2. Are your books regularly audited?  
(If yes, please state how often, and name of auditor) [ ] Yes [ ] No  
\_\_\_\_\_
- 3. Have you at present any insurance covering  
Consequential Loss? [ ] Yes [ ] No  
(If so, please give details) \_\_\_\_\_
- 4. Has any insurance company ever
  - a) declined your proposal? [ ] Yes [ ] No
  - b) refused to renew your policy? [ ] Yes [ ] No
  - c) cancelled your policy? [ ] Yes [ ] No
  - d) required an increased rate or  
imposed special terms on renewal? [ ] Yes [ ] No
 (If so, please give details) \_\_\_\_\_
- 5. Have you ever sustained loss from any of the  
perils which now require insurance? [ ] Yes [ ] No  
(If yes, please give full particulars including  
name of insurance company, if insured) \_\_\_\_\_

**DECLARATION BY PROPOSER:**

I/We hereby declare that the answers stated above are true and that I/We have not withheld any information which might influence the acceptance of this proposal, and that the declaration hereby given shall be the basis of the contract with the Company.

Signature of Proposer.....

Date.....

APPENDIX 1

WAGES DUAL BASIS - RATING AND ALTERNATIVES PERIOD TABLE

MAXIMUM INDEMNITY PERIOD	INITIAL PERIOD OF 100% COVER	Percentage of Wages insured for the remainder of the Maximum Indemnity Period																	
		10%		15%		20%		25%		33 1/3%		40%		50%		66 2/3%		75%	
		% age of basis rate	alternative period in week	% age of basis rate	alternative period in week	% age of basis rate	alternative period in week	% age of basis rate	alternative period in week	% age of basis rate	alternative period in week	% age of basis rate	alternative period in week	% age of basis rate	alternative period in week	% age of basis rate	alternative period in week	% age of basis rate	alternative period in week
12 months	4 weeks	37%	7	39%	9	43%	10	44%	10	51%	13	55%	16	63%	19	75%	29	81%	33
12 months	5 weeks	40%	9	43%	10	45%	10	48%	12	53%	15	58%	16	65%	22	77%	29	83%	36
12 months	6 weeks	42%	10	44%	10	47%	12	50%	13	55%	16	60%	17	67%	22	78%	29	83%	36
12 months	8 weeks	45%	10	47%	12	51%	13	54%	15	59%	17	63%	19	69%	24	79%	33	85%	36
12 months	13 weeks	55%	16	57%	16	60%	17	63%	19	67%	22	70%	24	75%	29	83%	36	87%	39
12 months	15 weeks	60%	17	62%	19	64%	19	67%	22	70%	24	73%	26	77%	29	85%	39	89%	42
12 months	17 weeks	64%	19	66%	22	68%	22	70%	24	73%	26	76%	29	80%	33	87%	39	90%	42
12 months	19 weeks	66%	22	68%	22	70%	24	72%	26	75%	29	77%	29	81%	33	87%	39	91%	42
12 months	21 weeks	68%	22	70%	24	72%	26	73%	26	77%	29	79%	33	82%	36	88%	39	91%	42
12 months	23 weeks	71%	24	73%	26	75%	26	76%	29	79%	33	81%	33	84%	36	89%	42	92%	46
12 months	25 weeks	75%	26	76%	29	77%	29	79%	33	81%	33	83%	36	86%	39	91%	42	93%	46
12 months	26 weeks	76%	29	77%	29	79%	33	80%	33	82%	36	84%	36	87%	39	91%	42	93%	46
12 months	29 weeks	79%	33	80%	33	81%	33	83%	36	85%	36	86%	39	88%	39	92%	46	94%	46
12 months	32 weeks	81%	33	83%	36	84%	36	85%	36	87%	39	88%	39	90%	42	93%	46	95%	46
12 months	35 weeks	85%	39	86%	39	87%	39	87%	39	89%	42	90%	42	92%	46	95%	46	96%	49
18 months	4 weeks	27%	9	31%	12	33%	13	36%	15	43%	19	47%	24	55%	36	68%	54	74%	58
18 months	5 weeks	30%	12	33%	13	35%	15	39%	16	45%	22	49%	26	57%	39	69%	54	75%	60
18 months	6 weeks	31%	12	33%	13	37%	16	40%	17	46%	24	51%	29	58%	39	69%	54	75%	60
18 months	8 weeks	33%	13	36%	15	39%	17	43%	19	48%	26	53%	33	59%	42	71%	56	77%	63
18 months	13 weeks	39%	17	43%	19	45%	22	49%	26	53%	33	57%	39	63%	49	73%	58	79%	63
18 months	15 weeks	43%	19	45%	22	48%	26	51%	29	55%	36	59%	42	65%	49	75%	60	79%	65
18 months	17 weeks	45%	22	48%	26	51%	29	53%	33	58%	39	61%	46	67%	52	75%	60	80%	65
18 months	19 weeks	47%	24	49%	26	52%	29	55%	36	59%	39	63%	46	67%	52	76%	60	81%	65
18 months	21 weeks	48%	26	51%	29	53%	33	55%	36	60%	42	63%	49	68%	54	77%	63	81%	65
18 months	23 weeks	51%	29	53%	33	55%	36	57%	39	61%	46	65%	49	69%	55	77%	63	81%	67
18 months	25 weeks	53%	33	55%	36	57%	39	59%	42	63%	49	66%	52	71%	56	78%	63	82%	67
18 months	26 weeks	53%	33	55%	36	58%	39	60%	42	64%	49	67%	52	71%	56	79%	63	82%	67
18 months	29 weeks	55%	36	57%	39	59%	42	61%	46	65%	49	68%	54	72%	56	79%	65	83%	67
18 months	32 weeks	57%	39	59%	42	61%	46	63%	49	67%	52	69%	55	73%	58	80%	65	83%	69
18 months	35 weeks	59%	42	61%	46	63%	46	65%	49	68%	54	71%	56	75%	60	81%	65	84%	69
18 months	39 weeks	61%	46	63%	49	65%	49	67%	52	69%	54	72%	56	75%	60	81%	67	84%	69

WAGES DUAL BASIS - RATING AND ALTERNATIVES PERIOD TABLE

MAXIMUM INDEMNITY PERIOD	INITIAL PERIOD OF 100% COVER	Percentage of Wages insured for the remainder of the Maximum Indemnity Period																	
		10%		15%		20%		25%		33 1/3%		40%		50%		66 2/3%		75%	
		% age of basis rate	alternative period in week	% age of basis rate	alternative period in week	% age of basis rate	alternative period in week	% age of basis rate	alternative period in week	% age of basis rate	alternative period in week	% age of basis rate	alternative period in week	% age of basis rate	alternative period in week	% age of basis rate	alternative period in week	% age of basis rate	alternative period in week
24 months	4 weeks	22%	10	23%	12	27%	15	31%	17	36%	26	41%	36	48%	49	60%	65	66%	74
24 months	5 weeks	24%	12	25%	13	29%	16	32%	19	38%	29	43%	39	49%	52	61%	65	67%	74
24 months	6 weeks	25%	13	27%	15	30%	17	33%	22	39%	29	43%	39	50%	52	61%	67	67%	74
24 months	8 weeks	25%	13	29%	16	32%	19	35%	24	41%	33	45%	42	51%	54	62%	67	67%	74
24 months	13 weeks	31%	17	34%	22	37%	26	39%	33	45%	42	48%	49	54%	56	64%	69	69%	76
24 months	15 weeks	33%	22	36%	26	39%	29	41%	36	46%	46	50%	52	55%	58	65%	71	69%	78
24 months	17 weeks	35%	24	38%	29	41%	33	43%	39	48%	49	51%	54	57%	60	65%	71	70%	78
24 months	19 weeks	37%	26	39%	33	42%	36	44%	39	49%	49	52%	54	57%	60	66%	74	70%	78
24 months	21 weeks	37%	26	40%	33	43%	39	45%	42	49%	52	53%	56	58%	63	66%	74	71%	78
24 months	22 weeks	39%	33	41%	36	44%	39	47%	46	51%	52	54%	56	59%	63	67%	74	71%	81
24 months	25 weeks	41%	33	43%	39	45%	42	48%	49	51%	54	55%	58	59%	65	67%	74	71%	81
24 months	26 weeks	41%	36	44%	39	46%	46	49%	49	52%	54	55%	58	60%	65	68%	76	72%	81
24 months	29 weeks	43%	39	45%	42	47%	46	49%	52	52%	56	56%	60	61%	65	68%	76	72%	81
24 months	32 weeks	44%	39	47%	46	49%	49	51%	52	55%	58	57%	60	61%	67	69%	76	73%	84
24 months	35 weeks	46%	46	48%	49	50%	52	52%	54	55%	58	59%	63	63%	69	69%	78	73%	84
24 months	39 weeks	47%	46	49%	52	51%	54	53%	56	57%	60	59%	65	63%	69	70%	78	73%	84
24 months	52 weeks	53%	56	55%	58	57%	60	59%	63	61%	67	63%	69	67%	74	72%	81	75%	87
36 months	4 weeks	15%	12	19%	16	22%	22	25%	29	31%	46	36%	56	43%	69	54%	100	59%	112
36 months	5 weeks	17%	13	20%	17	23%	24	27%	33	32%	49	37%	58	43%	71	55%	100	60%	115
36 months	6 weeks	18%	15	21%	19	24%	26	27%	36	33%	49	37%	60	44%	74	55%	100	60%	115
36 months	8 weeks	19%	16	23%	22	25%	29	29%	39	34%	53	39%	63	45%	74	55%	104	61%	117
36 months	13 weeks	23%	22	25%	29	29%	39	32%	49	37%	54	41%	67	47%	78	57%	107	62%	120
36 months	15 weeks	24%	26	27%	36	30%	42	33%	49	38%	60	42%	69	47%	81	57%	109	62%	120
36 months	17 weeks	25%	29	29%	39	31%	46	34%	54	39%	63	43%	69	49%	84	58%	109	63%	120
36 months	19 weeks	27%	33	29%	39	32%	49	35%	54	39%	63	43%	71	49%	84	58%	109	63%	120
36 months	21 weeks	27%	36	30%	42	33%	49	35%	56	40%	65	43%	71	49%	84	58%	109	63%	120
36 months	23 weeks	28%	36	31%	46	33%	52	36%	56	41%	67	44%	74	50%	87	59%	112	63%	122
36 months	25 weeks	29%	39	31%	49	34%	54	37%	58	41%	67	45%	74	50%	87	59%	112	63%	122
36 months	26 weeks	30%	42	32%	49	35%	54	37%	60	42%	69	45%	76	51%	89	59%	112	63%	122
36 months	29 weeks	31%	46	33%	52	36%	56	39%	63	43%	69	46%	76	51%	89	60%	115	64%	125
36 months	32 weeks	31%	46	34%	54	37%	58	39%	63	43%	71	47%	78	51%	89	60%	115	64%	125
36 months	36 weeks	33%	49	35%	56	37%	60	40%	65	44%	74	47%	81	52%	92	61%	117	65%	125
36 months	39 weeks	34%	54	36%	56	39%	63	41%	67	45%	74	48%	81	53%	92	61%	117	65%	125
36 months	52 weeks	38%	60	40%	65	42%	69	44%	74	48%	81	51%	89	55%	104	62%	120	66%	128



APPENDIX II

**CONSEQUENTIAL LOSS INSURANCE PREMIUM CALCULATION WORKSHEET**

**Total material damage premium** \_\_\_\_\_ (a)

\* ignoring escalation, stock declaration, reinstatement value day one basis and discount for voluntary deductible

Total material damage sum insured \_\_\_\_\_ (b)

Average base rate for con. loss = a / b x 100% \_\_\_\_\_ (c)

Indemnity Period \_\_\_\_\_ months \_\_\_\_\_

**Extensions**

Supplier's extensions	dependency		
Supplier 1	0.15%	_____	x 100%
Supplier 2	0.15%	_____	x 50%
Supplier 3	0.15%	_____	x 25%
Supplier 4	0.15%	_____	x 10%
Supplier 5	0.15%	_____	x 10%
Unspecified supplier	0.75%	_____	x 100%
Total supplier extension rate			_____ (d)

Customer's extensions	dependency		
Customer 1	0.15%	_____	x 100%
Customer 2	0.15%	_____	x 50%
Customer 3	0.15%	_____	x 25%
Customer 4	0.15%	_____	x 10%
Customer 5	0.15%	_____	x 10%
Total customer extension rate			_____ (e)

Prevention of access	0.0140%	
Public utilities - 0.02%/0.03%/0.035%	_____	
Infectious disease	0.0100%	
Total	_____	
If IP>12 months, x 12/IP, else x 1		_____ (f)

Total Con. Loss rate = c + d+ e + f \_\_\_\_\_ (g)

Gross Profit \_\_\_\_\_ (h)

Multiplier \_\_\_\_\_ (i)

Con. Loss Premium = g x h x i \_\_\_\_\_ (j)

Upward adjustment percentage \_\_\_\_\_ (k)

Upward adjustment premium = g x h x i x k x 75% \_\_\_\_\_ (l)

Total Con. Loss premium = j + l \_\_\_\_\_ (m)

**N.B.**

1. The example shown assumes fire and full perils cover. Please make necessary adjustments if only fire & lightning cover is required.

2. The example shows calculations for gross profits. The same formula applies for other items e.g. wages, gross revenue, etc.

**CONSEQUENTIAL LOSS INSURANCE PREMIUM CALCULATION WORKSHEET**

<b>Total material damage premium</b>		<u>123,456.00</u>	(a)
* ignoring escalation, stock declaration, reinstatement value day one basis and discount for voluntary deductible			
Total material damage sum insured		<u>100,000,000</u>	(b)
Average base rate for con. loss = a / b x 100%		<u>0.1235%</u>	(c)
Indemnity Period _____	18 months		
<b>Extensions</b>			
Supplier's extensions	dependency		
Supplier 1	0.15% <u>50%</u> x 100%	<u>0.0750%</u>	
Supplier 2	0.15% <u>25%</u> x 50%	<u>0.0188%</u>	
Supplier 3	0.15% <u>10%</u> x 25%	<u>0.0038%</u>	
Supplier 4	0.15% <u>0%</u> x 10%	<u>0.0000%</u>	
Supplier 5	0.15% <u>0%</u> x 10%	<u>0.0000%</u>	
Unspecified supplier	0.75% <u>5%</u> x 100%	<u>0.038%</u>	
Total supplier extension rate		<u>0.1356%</u>	(d)
Customer's extensions	dependency		
Customer 1	0.15% <u>30%</u> x 100%	<u>0.0450%</u>	
Customer 2	0.15% <u>10%</u> x 50%	<u>0.0075%</u>	
Customer 3	0.15% <u>0%</u> x 25%	<u>0.0000%</u>	
Customer 4	0.15% <u>0%</u> x 10%	<u>0.0000%</u>	
Customer 5	0.15% <u>0%</u> x 10%	<u>0.0000%</u>	
Total customer extension rate		<u>0.0525%</u>	(e)
Prevention of access	<u>0.0140%</u>		
Public utilities - 0.02%/0.03%/0.035%	<u>0.0300%</u>		
Infectious disease	<u>0.0100%</u>		
Total	<u>0.0540%</u>		
If IP>12 months, x 12/IP, else x 1		<u>0.0360%</u>	(f)
Total Con. Loss rate = c + d+ e + f		<u>0.3476%</u>	(g)
Gross Profit		<u>52,000,000</u>	(h)
Multiplier		<u>90%</u>	(i)
Con. Loss Premium = g x h x i		<u>162,676.80</u>	(j)
Upward adjustment percentage		<u>25%</u>	(k)
Upward adjustment premium = g x h x i x k x 75%		<u>30,501.90</u>	(l)
Total Con. Loss premium = j + l		<u>193,178.70</u>	(m)

**N.B.**

- The example shown assumes fire and full perils cover. Please make necessary adjustments if only fire & lightning cover is required.
- The example shows calculations for gross profits. The same formula applies for other items e.g. wages, gross revenue, etc.