



**IFFCO-TOKIO GENERAL INSURANCE CO. LTD**

Regd. Office: IFFCO Sadan, C-1, Distt. Centre, Saket, New Delhi-110017

**Advance Loss of Profit Policy  
Prospectus / Sales Literature  
UIN: IRDAN106CP0005V01202324**

Construction projects face several challenges that could result in delayed completion leading to financial losses to the firm responsible. These projects typically have set schedules for completion of the projects. A delay in completion can lead the parties involved to incur significant losses.

The primary objective of Advance Loss of Profit Policy is to Indemnify the Insured from the losses sustained due to a delay in completion of the insured works. Therefore, it is proposed to offer the Advance Loss of Profit Policy in conjunction with Erection All Risk or Contractors All Risk Insurance (EAR / CAR) policy.

**Coverage:-**

The Insurer shall indemnify the Insured in respect of the loss of gross profit actually sustained due to the reduction in turnover and the increased cost of working, if at any time during the period of insurance any or all the insured items suffer loss or damage covered under the underlying Section 1 of Erection All Risk (EAR) / Contractors All Risk (CAR) Material Damage, unless specifically excluded in this Policy, thereby causing an interference in the construction/erection work and/or testing schedule resulting in a delay of commencement of and/or interference with the insured business.

The amount payable as indemnity hereunder shall be:-

- In respect of loss of Gross Profit
- In respect of Increased Cost of Working

**Exclusions:-**

The Insurer shall not be liable for

1. Loss of gross profit and/or increased cost of working due to any Delay caused by or resulting from –
  - 1.1 Loss or damage not covered under Section 1 of EAR/CAR Material Damage Policy, unless it has been specifically agreed in writing, by way of endorsement;
  - 1.2 Earthquake, volcanic eruption, tsunami, unless it has been specifically agreed in writing;
  - 1.3 Loss of or damage to surrounding property, construction machinery, plant and equipment;
  - 1.4 Loss of or damage to operating media or feedstock, shortage, destruction, deterioration of or damage to any materials necessary for the Insured business;
  - 1.5 Any restrictions imposed by a public authority;
  - 1.6 Non-availability of funds;
  - 1.7 Alterations, additions, improvements, rectification of defects or faults or elimination of any deficiencies carried out after the occurrence;
  - 1.8 Loss or damage to items taken over or taken into use by the Insured or for which cover under the Section 1 of underlying EAR/CAR Material Damage Policy has ceased;
  - 1.9 Repair of any items which do not form part of the project description/details referred to in the Schedule hereto, even if such repair is in consequence of loss of or damage to an item which forms part of the project description/details referred to in the Schedule hereto.
2. Claims/circumstances made prior to the inception of the Policy or arising out of, based upon or attributable to any circumstance that, as of the inception of the Policy, may reasonably have been expected by Insured to give rise to a claim.

3. Any loss due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature;
4. Loss of business due to causes such as suspension, lapse or cancellation of a lease, licence or order, etc. which occurs after the date of actual commencement of the business;
5. Loss of or damage to erection work of a prototype nature, unless specifically agreed by endorsement.
6. Any loss resulting from damage occasioned by or happening 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 a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power.
  - c) confiscation, nationalization, commandeering, requisition or destruction by or under the order of any government de jure or de facto or by any public or local authority.
  - d) the acts of any person or persons acting on behalf of or in connection with any organization with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence.

In any action suit or other proceeding where the Insurer alleges that by reason of the provisions of this condition, any loss or damage is not covered by this Policy, the burden of proving that it is covered shall be upon the Insured.

7. Any loss, damage or Delay directly or indirectly caused by, arising from, or contributed to or aggravated by:
  - a) ionizing radiations or radioactive contamination from any nuclear fuel or nuclear waste or from the combustion of nuclear fuel.
  - b) the radioactive, toxic, explosive or otherwise hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
  - c) any weapon of war employing atomic or nuclear fission or fusion or any other similar reaction or radioactive force or matter.

In any action suit or other proceeding where the Insurer alleges that by reason of the provisions of this condition any loss or damage is not covered by this Policy, the burden of proving that it is covered shall be upon the Insured.

#### 8. Terrorism Damage Exclusion Warranty

#### **Additional Optional Covers:-**

Following are the wordings of the Optional Covers available under the policy.

1. Additional Increase in Cost Of Working
2. Customers And Suppliers Extension
3. Prevention of Access
4. Public Utilities Extension
5. Professional Account's and Auditor Clause
6. Sabotage and terrorism Damage Cover Endorsement - Material Damage and Advanced Loss Of Profit

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