

THE HERITAGE INSURANCE COMPANY LIMITED



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PROPOSAL FORM FOR LOSS OF PROFITS INSURANCE

IMPORTANT: All questions must be fully answered. A tick or dash is not sufficient.

Full Name of Proposer

Postal Address **Code:** **Profession or Trade:**

Telephone No: **E-mail Address:** **Fax No:**

PIN No:..... **Period of Insurance: From** **To :**

BASIC COVER

The Heritage A.I.I. Insurance Company Limited Profits Policy insurer a business against the loss of income and the additional expenditure which will almost inevitably result from interruption or interference through fire.

It will enable the policyholder to

1. Pay all the overhead expenses of the business and any other expenses which continue following the damage.
2. Retain all essential employees or, if desired, all employees during the period of interruption
3. Cover any increase in cost of working incurred in an endeavour to reduce the interruption to a minimum e.g. the renting and equipment of temporary premises; contracting out; extra labour; special advertising and the like.
4. Earn the same net profit as would have been earned had the damage not occurred
5. Cover Auditor’s Fees for producing and certifying any particulars or details required in connection with claim.

SPECIAL PERILS AND EXTENSIONS

The basic policy insures the business against loss resulting from damage by Fire and Lighting and Explosion of Gas used for illuminating or Domestic Purposes.

Other perils can be added and details will be supplied upon application.

The Policy can also be extended to cover loss, caused by any of the perils, proposed herein, arising from damage to premises not in the occupation of the policy holder upon which the business is particularly dependent, such as those of suppliers of components, goods or materials, customers; electricity stations, gas and waterworks; warehouses or docks used for storage and distributing purposes.

PREMIUM

The rate of premium charged varies according to the fire insurance rate for the policyholder’s premises and the maximum period during which the insurance is required to provide indemnity following any damage (known as the “indemnity Period”). It is essential that the Indemnity Period should be of sufficient length to restore the business full to normal conditions.

BASIS OF SETTLEMENT

The policy is adaptable to the circumstances of all classes of business and whilst Turnover is the usual basis upon which a loss is assessed, output, wages paid, or any other appropriate standard may be selected.

ALL INFORMATION SUPPLIED IS REGARDED AS STRICTLY CONFIDENTIAL.

If required, a representative is available to discuss any particular aspect of the cover.

Agency

SUM TO BE INSURED

Item 1 – Gross Profit

The sum to be insured is based on the annual Gross Profit of the business, “Gross Profit” being Turnover LESS the expenses which vary proportionately with Turnover, termed “Specified Working Expenses”. Wages, but not salaries, should be included under this latter heading and insured by Item 2, if it is not intended to retain all employees for the whole period of any interruption.

CALCULATION		Amount Last Financial Year
	(i) Turnover	-----
Add	(ii) Stock in hand and working progress at end of year	-----
“	(iii) Rent Received from tenants (if to be included in this insurance)	=====
	Amount last financial year	-----
Deduct	(i) Stock in hand and work in progress	
	At beginning of year	-----
	SPECIFIED WORKING EXPENSES as under:-	
	(a) Purchases (less discounts received)	-----
	(b) Discounts allowed	-----
	(c) Bad Debts written off	-----
	(d) Wages (if insured by Item 2)	-----
	(e)	-----
	(f)	-----
	(g)	-----
	GROSS PROFIT for purposes of policy for last financial year	-----
Add	Allowance for possible increase during say, the next 3 years	-----
Total =	SUM TO BE INSURED: (a) for an Indemnity Period of 12 months	
	or less	=====
	(b) Indemnity Period of 18 months, (increase by 50%)	-----
	(c) Indemnity Period of 24 months, (double), and so on	=====
	If the sum insured proves to be too high a proportionate return, up to 50% of the premium paid will be made.	

Item 2 – Wages – Dual Basis.

This term covers all wages for a period of 4 weeks (or more if required) and a percentage of the wage roll (not less than 10%) for the remainder of the Indemnity Period. This will enable all employees to be retained for a limited period after any damage or for “Notice wages” to be paid to those who are dismissed and the more valuable employees to be retained during the whole period of interruption.

The sum to be insured is the TOTAL ANNUAL WAGE ROLL (Including Bonuses, Holiday pay and the like) after making allowance for possible increase during say the next 3 years..... _____
Increase by 50% for 18 months Indemnity; double for 24 months and so on =====
A reduced rate is charged for this item, depending on the period during which all wages are to be insured and the percentage of the wage roll to be insured for the remainder of the Indemnity Period.

If the sum insured proves to be too high a return of premium will be made in the same way as under the Gross Profit item,

Wages – Pro rate basis

If it is not intended to retain all employees during the whole period of any interruption, the wages of those who would not be retained should be treated as a “Specified Working Expense” and insured by a separate item for a period of not less than 4 weeks following any damage.

The sum insured for this item is the amount of wages normally paid to the employees concerned FOR THE NUMBER OF WEEKS SELECTED after making allowance for possible increase during say, the next 3 years...

(This page may be detached and retained by the proposer, if desired)

THE HERITAGE A.I.I. INSURANCE COMPANY LIMITED

**PROFITS INSURANCE
PROPOSAL FORM**

Name of Proposer _____
Business _____

(Add “Property Owner” If Rent receivable from tenants is to be covered)

Address of all premises occupied by the proposer which are to be included in the Insurance _____

Insurance to commence from _____ renewable at _____

SUM TO BE INSURED (as arrived at on Page 2)

Item No.

- 1. On Gross Profit. _____
- 2. On wages – Dual Basis (100%) Weeks and%
for remainder of Indemnity Period) _____
- 3. On Weeks Wages - Pro rata basis _____
(These wages must be detailed in list of Specified Working Expenses below)
- 4. On Auditors’ Fees for producing and certifying the details required
in connection with a claim _____
- 5. On _____

Total Sum Insured =====

INDEMNITY PERIOD required months. If more than 12 months, have the sum insured on Gross Profit and Wages (Dual Basis) been increased accordingly?

N.B. The Indemnity Period should be sufficient length to restore the business fully to normal conditions.

SPECIFIED WORKING EXPENSES (as shown on Page 2)

Where possible, please use headings appearing in accounts

- 1. Purchase (less discounts received)
- 2. Discounts allowed

- 3. Bad Debts written off _____
- 4. _____
- 5. _____
- 6. _____
- 7. _____

SPECIAL PERILS

Do you require the insurance to be extended to include loss arising from any additional perils? _____
 If so, which? _____

EXTENSIONS to be included (see Page 1)

Please state requirements _____

QUESTIONS TO BE ANSWERED BY THE PROPOSER

<p>1. Are you at present insured against Loss of Profits? If so state name of Company</p>	
<p>2. State name of Company carrying your Fire Insurance. If with the Heritage A.I.I. Ins. Co. Ltd give number of Policy. If not with the Heritage A.I.I. Ins. Co. Ltd State total amount insured on contents. Annual Premium paid thereon.</p>	
<p>3. Are there in force material insurances covering your property against ALL the perils to be included in this policy?</p>	
<p>4. Give name and address of your Auditors</p>	
<p>5. If your books are not professionally audited, are Stock and Sales Books kept?</p>	
<p>6. Do you keep separate departmental accounts?</p>	
<p>7. When does your financial year end?</p>	
<p>8. How long have you carried on the present business?</p>	
<p>9. Has any Company or Underwriter declined to accept or continue any insurance in respect of the perils now proposed? If so give details.</p>	
<p>10. Have you ever made a claim for damage by any of the perils now proposed or Loss of Profits resulting therefrom? If so give details.</p>	

I/We hereby apply for an insurance in accordance with the above particulars on the usual terms and conditions of the Society's Profits Policy and I/We agree that this proposal and the statements contained herein shall be the basis of the contract between **The Heritage A.I.I. Insurance Company Limited** and myself/ourselves.

Proposer's Signature

Agent/Brokers Date 20.....

N.B. No Insurance is in force until the proposal has been accepted and a Cover Note issued.