

Business Interruption (Loss of Profit) Coverage Format

1. Policy Information

Policy Number	[Insert Policy Number]
Insured Name	[Insert Insured's Name]
Period of Insurance	[Start Date] to [End Date]
Business Address	[Insert Business Address]

2. Description of Business

[Provide brief details of the business and nature of operations]

3. Coverage Details

Sum Insured	[Insert Amount]
Indemnity Period	[Insert Duration, e.g., 12 months]
Covered Perils	[List insured perils, e.g., fire, flood, machinery breakdown, etc.]
Deductible	[Insert Deductible Amount or Percentage]

4. Basis of Calculation of Loss

The policy indemnifies for loss of gross profit due to reduction in turnover and increased cost of working as a result of business interruption caused by a covered peril, subject to policy conditions.

Gross Profit	[Turnover less purchases and variable expenses]
Increased Cost of Working	[Additional expenses incurred to avoid reduction in turnover, subject to policy limit]

5. Exclusions

- Losses arising from uninsured perils
- Losses due to market trends
- Consequential losses not covered by the policy
- Voluntary closures/interruptions not related to insured events

6. Claim Procedure

- Notify the insurer immediately after occurrence of a covered peril.
- Submit preliminary claim with supporting documents.
- Provide detailed loss calculation, financial statements, and relevant records.
- Assist in the loss assessment as required by the insurer.

Important Notes

- Accurate record-keeping is essential to support your claim.
- Understand the policy's definitions, coverage, and exclusions thoroughly.
- Review indemnity period and adequacy of sum insured annually.
- Prompt communication with the insurer can expedite claim processing.

