

Introduction:

Advanced Loss of Profit insurance policy cover the financial losses faced by a Project owner due to delays in the commissioning of a project (construction and infrastructure projects). Advance loss of profit insurance only covers the actual loss of gross profit stemming from a delayed project.

Who can avail of "Advanced Loss of Profit"?

Large construction projects can purchase advance loss of profit insurance because they face several risks that could result in delayed project completion. The possible causes for delays are numerous and often unexpected. Such delays can severely impact the finances of companies relying on a construction project's timely completion.

What is the coverage under the policy?

That if the Contract Works or any part thereof suffer any loss or damage indemnifiable under the Contractors' All Risks or Erection All Risks policy (such loss or damage being hereinafter termed Damage) in such manner as to interrupt or to interfere with the carrying out of the Contract and thereby to cause a delay to the Scheduled Date of Commencement of the Business, then the Company will pay to the Insured in respect of each item of the Schedule hereto the amount of loss resulting from such interruption or interference in accordance with the provisions contained herein

Provided that

1. Such damage occurs, at any time after payment of the Premium, during the Period of Insurance.
2. The Insured under this policy is named as the Principal in and is one of the parties constituting the Insured in the Schedule to the Contractors' All Risks or Erection All Risks policy.
3. At the time of the happening of the Damage there shall be a Contractors' All Risks or Erection All Risks policy in force covering the interest of the Insured in the Contract Works, and that payment shall have been made or liability admitted thereunder in respect of indemnification for such Damage. However, this proviso shall not apply where payment is not made under the Contractors' All Risks or Erection All Risks policy solely due to the operation of a provision of the Contractors' All Risks or Erection All Risks policy excluding liability for losses below a specified amount.
4. The liability of the Company shall in no case exceed in respect of each item the sum expressed in the Schedule to be insured thereon, nor in the whole the Total Sum Insured hereby or such other sum or sums as may hereafter be substituted thereof by memorandum duly signed by or on behalf of the Company

What is the Sum Insured in the Policy?

Item No.1

- The sum insured under the Advanced Loss of Profits policy should represent the gross profit of the indemnity period selected due to a) Reduction in Turnover and b) Increase in Cost of Working.
- The indemnity period is the maximum period required to put the business back into normal operation after damage to the machinery by a Breakdown.

Item No.2

- the reasonable charges 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.

What are the exclusions under the policy?

The Company shall not be liable in respect of:

1. any delay in the construction work directly due to:
 - a) loss or damage covered under the Contract Works policy by endorsement, unless it is specifically agreed in writing by the Company that such loss or damage shall be deemed to be Damage for the purposes of this policy.
 - b) loss of or damage to any property other than the Contract Works, whether such property is covered under the Contract Works policy or not.
 - c) earthquake, volcanic eruption or tsunami.
 - d) loss of or damage to construction work of a prototype nature, unless specifically agreed by the Company in writing.
 - e) loss of or damage to construction plant, machinery or equipment.
 - f) any loss arising from abandonment from any cause whatsoever of any development, project or contract work undertaken or contracted for by the Insured.
2. any delay directly or indirectly attributable to:
 - a) shortage, destruction, deterioration of or damage to any materials or operating media necessary for conducting the Business
 - b) any restrictions on reconstruction or operation imposed by a public authority.
 - c) alterations, additions, improvements, rectification of defects or faults or elimination of any deficiencies carried out during the repair or replacement of destroyed or damaged items.
 - d) non-availability of funds for the repair or replacement of destroyed or damaged items.
 - e) repair of any items which do not form part of the Contract Works 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 Contract Works referred to in the Schedule hereto.
3. any loss due to penalties or fines, lack of performance, loss of contract, breach of contract, late completion or non-completion of orders.
4. 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 Company 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.

5. 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 Company 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.

What is the Claims procedure?

Intimation: Insured can call 18602580000 /18604250000 or write to us at care@royalsundaram.in

Submission: The Claim documents to be submitted by the insured are given below:

1. Claim form
2. FIR/Final Report
3. Meteorological Report in case of Act of God Perils
4. Proof in support of the Cause of Loss/Operation of Insured peril
5. Books of Accounts
6. Stock Register
7. Repair/Reinstatement Bills
8. Proof of Reinstatement
9. CKYC documents PAN, ROC certificate, Aadhaar, GST Registration Certificate
10. Any other document: There may be specific requirements depending upon the merits of each case

Process: The company will assign a surveyor to assess and evaluate the loss. If the claim is found to be in order, as per the policy terms, conditions, or warranties, and does not fall under the policy exclusions, we will offer a settlement of the claim to the insured. The claim will be processed, and payment will be made by online fund transfer.

Cancellation

This insurance may be terminated at any time at the request of the Insured, in which case the Company will retain the premium at 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 15 days' 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.

Grievance Redressal Procedure:

1. In case of any grievance the insured person may contact the company through
Website: <https://www.royalsundaram.in/customer-service>
Contact Numbers: 1860 258 0000, 1860 425 0000
E-mail: manager.care@royalsundaram.in
Sr. Citizen can email us at: seniorcitizengrievances@royalsundaram.in
Fax: 044-7117 7140
Courier: Grievance Redressal Unit
Royal Sundaram General Insurance Co. Limited
Vishranthi Melaram Towers,
No.2/319, Rajiv Gandhi Salai (OMR) Karapakkam,
Chennai – 600097.

Insured person may also approach the grievance cell at any of the company's branches with the details of grievance. If insured person is not satisfied with the redressal of grievance through one of the above methods, insured person may contact the grievance officer

Mr. T M Shyamsunder
Grievance Redressal Officer,
Royal Sundaram General Insurance Co. Limited,

Vishranthi Melaram Towers, No.2/319, Rajiv Gandhi Salai (OMR),
 Karapakkam, Chennai – 600097.

For updated details of grievance officer, kindly refer the link <http://www.royalsundaram.in>.

If Insured Person is not satisfied with the redressal of grievance through above methods, the insured person may also approach the office of Insurance Ombudsman of the respective area/region for redressal of grievance as per Insurance Ombudsman Rules 2017. Grievance may also be lodged at IRDAI Integrated Grievance Management system <https://bimabharosa.irdai.gov.in>.

2. Consumer Affairs Department of IRDAI

- a. In case it is not resolved within 15 days or if You are unhappy with the resolution, You can approach the Grievance Redressal Cell of the Consumer Affairs Department of IRDAI by calling Toll Free Number 155255 (or) 1800 4254 732 or sending an e-mail to complaints@irdai.gov.in. You can also make use of IRDAI's online portal – Bima Bharosa Portal by registering Your complaint at <https://bimabharosa.irdai.gov.in/>
- b. You can send a letter to IRDAI with Your complaint on a Complaint Registration Form available by clicking here. You must fill and send the Complaint Registration Form along with any documents by post or courier to General Manager, Insurance Regulatory and Development Authority of India (IRDAI), Consumer Affairs Department - Grievance Redressal Cell, Sy.No.115/1, Financial District, Nanakramguda, Gachibowli, Hyderabad- 500032.
- c. You can visit the portal <https://bimabharosa.irdai.gov.in/> for more details.

3. Insurance Ombudsman

If the **Insured / insured member** is not satisfied with the redressal of grievance through above methods, the **insured / insured member** may also approach the office of Insurance Ombudsman of the respective area/region for redressal of grievance as per Insurance Ombudsman Rules 2017. You can approach the Council for Insurance Ombudsman depending on the nature of grievance and financial implication, if any. Information about Insurance Ombudsmen, their jurisdiction and powers are available on the website of the Insurance Regulatory and Development Authority of India (IRDAI) at www.irdai.gov.in. For the updated list of the offices of the Insurance Ombudsman, request you to visit the website of the Council for Insurance Ombudsman at <https://www.cioins.co.in/ombudsman> or on our company website at www.royalsundaram.in. You can also lodge online complaint with the Council for Insurance Ombudsman through the website of Council for Insurance Ombudsmen (CIO) at www.cioins.co.in

Section 41 in the Insurance Act, 1938

41. Prohibition of rebates

(1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer: Provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.

(2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

Note: In case of any conflict, the terms and conditions mentioned in the policy document shall prevail.