

Notwithstanding exclusion 5 of the CECR policy, the Insurers shall indemnify the Insured in respect of loss of gross profit actually sustained due to the reduction in turnover and the increased cost of working as defined in this Endorsement, if at any time during the period of insurance stated in the Schedule to this Endorsement the items (or any part thereof) insured under the CECR policy suffer loss or damage covered under the CECR policy, unless specifically excluded in this Endorsement, thereby causing interference with or interruption of the insured business.

The amount payable as indemnity hereunder shall be

- 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, in consequence of the accident, falls short of the standard turnover,
- 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 accident, 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 the gross profit as may cease or be reduced in consequence of the accident,

provided that if the annual sum hereunder is less than the sum produced by applying the rate of gross profit to the annual turnover, the amount payable is proportionately reduced.

Definition

CECR Policy

The underlying Civil Engineering Completed Risks (CECR) material damage policy to which this Endorsement is attached.

Period of Insurance

The period of insurance shall be the period stated in the Schedule to this Endorsement. However, it shall automatically cease earlier, ie at the date the CECR policy expires or is terminated.

Gross Profit

The amount by which the value of the turnover exceeds the amount of the specified working expenses.

Specified working expenses shall be any variable costs, eg costs incurred for the acquisition of goods, materials as well as for supplies and services (unless required for the upkeep of operations) and any expenditure for turnover tax, purchase tax, licence fees and royalties, etc, insofar as such costs are dependent on turnover.



Turnover

The money (less discounts allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the insured location(s).

Indemnity Period

The period not exceeding the indemnity period limit stated in the Schedule commencing with the occurrence of the accident during which the results of the business are affected in consequence of such accident.

Time Excess

The period stated in the Schedule for which the Insurers are not liable. The corresponding amount shall be calculated by multiplying the average daily value of loss sustained during the indemnity period by the number of days agreed upon as time excess.

Rate of Gross Profit

The rate of gross profit earned on the turnover during the financial year immediately before the date of the accident.

Standard Turnover

The turnover during that period in the twelve months immediately before the date of the accident which corresponds to the indemnity period to which such adjustments are 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 accident or which would have affected the business had the accident not occurred, so that the figures thus adjusted represent as nearly as may be reasonably practicable the results which but for the accident would have been obtained during the relative period after the accident.

Annual Turnover

The turnover which the Insured would have been able to obtain but for the accident during the twelve months immediately before either the date when the business is no longer affected or when the indemnity period ends, whichever occurs first.

Special Exclusions Applying to this Endorsement

This Endorsement shall not cover any loss resulting from interruption of or interference with the business directly or indirectly attributable to

- 1** loss or damage covered under the CECR policy by way of endorsement, unless it has been specifically agreed in writing;
- 2** the imposition of abnormal conditions directly or indirectly resulting from testing, intentional overloading or experiments;
- 3** loss or damage for which a supplier, contractor or repairer is responsible either by law or under contract;



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- 4 loss of or damage to operating media or feedstock, interruption of outside power supply, shortage, destruction, deterioration of or damage to any materials necessary for the insured business;
- 5 non-availability of funds;
- 6 alterations, additions, improvements, rectification of defects or faults or elimination of any deficiencies carried out after the occurrence;
- 7 any law or ordinance regulating any form of pollution or contamination;
- 8 any restrictions on reconstruction or operation imposed by any public authority;
- 9 any loss due to fines or damages for breach of contract, for late or non-completion of order, for any penalties of whatsoever nature;
- 10 loss of business due to causes such as suspensions, lapse or cancellation of a lease, licence or order, etc which occurs after the date when the item affected by an accident is again in operating condition and the business could have been resumed, if said lease, licence or order, etc had not lapsed or had not been suspended or cancelled.

Provisions

Memo 1 – Benefit from Other Locations

If during the indemnity period goods are sold or services are rendered elsewhere than at the insured location(s) for the benefit of the business either by the Insured or by others acting on his behalf, the money paid or payable in respect of such sales or services shall be taken into account in arriving at the turnover during the indemnity period.

Memo 2 – Return of Premium

If the Insured declares at the latest six months after the expiry of any policy year that the gross profit earned during the accounting period of twelve months most nearly concurrent with any period of insurance, as certified by the Insured's auditors, was less than the sum insured thereon, a pro rata return of premium not exceeding one third of the premium paid on such sum insured for such period of insurance shall be made in respect of the difference.

If any accident has occurred giving rise to a claim under this Endorsement, such return shall be made in respect only of so much of said difference as is not due to such accident.

Memo 3 – Overhauls

In calculating the loss, due allowance shall be made for the time spent on any inspections, overhauls or modifications carried out during any period of interruption.



Memo 4 – Benefits after Recommissioning

If during a period of six months immediately following the recommissioning of insured items after an accident, the Insured derives benefits from deferred sales and/or profits as a consequence of the interruption, such benefits shall be taken into account in determining the indemnity payable under this Endorsement.

Memo 5 – Reinstatement of Sum Insured

For the period following the occurrence of an accident up to the end of the policy period the sum insured shall be reinstated by payment of an additional premium on a pro rata basis, such premium to be calculated from the part of the sum insured which corresponds to the indemnity paid; the agreed sum insured shall remain unaltered.

Special Conditions Applying to this Endorsement

1 The Insured shall be obliged to keep complete records. All records, eg books of account and balance sheets, for the three preceding years shall be held in safe keeping and as a precaution against their being simultaneously destroyed, the Insured shall keep separate sets of such records.

2 In the event of any occurrence which gives rise or is likely to give rise to a claim under this Endorsement, the Insured shall

a immediately notify the Insurers by telephone or telegram and send them written confirmation thereof within forty-eight hours of the occurrence;

b do and concur in doing and permit to be done all such things as may be reasonably practicable to minimize or establish the extent of any interruption of or interference with the business or to avoid or diminish the loss resulting therefrom;

c as far as may be reasonably practicable, without causing any increase in the period of interruption or interference, take precautions to preserve any things which might prove necessary or useful by way of evidence in connection with any claim;

d discontinue the use of any damaged items unless the Insurers authorize otherwise; the Insurers shall not be liable in respect of any further interruption or interference arising out of the continued use of any damaged items without their having given their consent to such use until said items have been repaired to the satisfaction of the Insurers.

3 In the event of a claim being made under this Endorsement not later than thirty days after the expiry of the indemnity period or within such further times as the Insurers may allow in writing, the Insured shall at his own expense deliver to the Insurers a written statement setting forth particulars of his claim together with details of all other policies covering the



accident or any part of it or consequential loss of any kind resulting therefrom, and the Insured shall at his own expense also produce and furnish to the Insurers such books of account and other business books, eg invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by the Insurers for the purpose of investigating or verifying the claim, together with – if required – a statutory declaration of the truth of the claim and of any matters connected therewith.

4 In the event of any occurrence in respect of which a claim is or may be made under this Endorsement, the Insurers and every person authorized by the Insurers may, without thereby incurring any liability and without diminishing the right of the Insurers to rely upon any condition of this Endorsement, enter any location or building where the loss has happened, for the purpose of direct negotiation with the Insured in order to establish the possible cause and extent of the loss or damage, its effect on the insured interest, to examine the possibilities for minimizing the loss or damage and if necessary to make any reasonable recommendations for the avoidance or minimization of such delay. This condition shall be evidence of the leave and licence of the Insured to the Insurers so to do. If the Insured or anyone acting on his behalf does not comply with the requirements of the Insurers or hinders or obstructs the Insurers during any of the above-mentioned acts or does not comply with such recommendations of the Insurers, then all benefit under this Endorsement shall be forfeited.

5 The Insurers shall not be liable to pay for or contribute to any loss which but for the existence of this Endorsement is or would be insured by any Loss of Profits policy covering Marine risks or Fire, Fire and Extended Coverage (F&EC), Difference in Conditions (DIC), Force Majeure (FM), and/or Explosion risks.

6 The indemnity shall fall due two weeks after its final determination. If after the expiry of one month since the beginning of an interruption of or interference with the business and after the expiry of each further month, it is possible to determine the minimum amount which the Insurers are liable to pay for the elapsed period of interruption, the Insured shall be entitled to demand that such amount be paid to him as an instalment of the total indemnity.

The Insurers shall be entitled to postpone payment,

- a** if there is any doubt as to the Insured's right to receive payment, until the necessary proof is furnished;
- b** if, as a result of any interruption of or interference with the business, police or penal investigations have been initiated against the Insured, until the completion of such investigations.

The Insurers shall not be liable to pay interest other than interest for default.

7 Should at any time after the commencement of this Policy

a the business be wound up or carried on by a liquidator or receiver or be permanently discontinued,

b the Insured's interest cease otherwise than by death,

c any alteration be made whereby the risk of accident is increased,

d the retention of standby or spare capacities or any other loss-minimizing factors in existence when the insurance was effected be reduced or discontinued, or such standby or spare capacity not be maintained in an efficient working condition and available for immediate use,

then this Policy shall be void unless its continuance is admitted by a special written statement signed by or on behalf of the Insurers.



Incorporated Questionnaire and Proposal No

Name and address of Insured:

Business:

Period of insurance from (noon) to (noon) and any subsequent period for which the Insured pays and the Insurers agree to accept a renewal premium

Location:

Renewal date:

Subject matter insured: Gross profit

First premium:

Annual sum insured:

Time excess:

Annual premium:

Specification of Items Insured

Item No	Quantity	Insured items and location	Year of construction	Indemnity period limit	Share on gross profit in per cent	Sum insured
Total sum insured						

