

Popular insurance products like Fire Insurance, Machinery Breakdown Insurance cover the risk of physical damage to the assets. However the financial loss due to stoppage of work following a physical damage is not covered by these policies.

Business Interruption policies cover financial losses due to stoppage of work which follows a physical damage. These policies are also called Consequential Loss Policies.

The policy covers:

- Loss of gross profit. Gross profit is defined as the net trading profit plus insured standing charges (fixed expenses).
- Increased cost of working

The gross profit of the indemnity period selected is the sum insured under the policy.

The indemnity period is the maximum period required to put the business back into normal operation after damage to insured property by an insured peril. The indemnity period commences with the date of damage and lasts till such a time as the business is restored to its pre damaged level or the period stipulated in the policy, which ever comes first. The indemnity period could vary from 6 months to 3 years.

Extensions

Wages Lay - Off and Retrenchment Compensation and Notice Wages Liability
Auditor's Fees
Supplier's Extension
Customer's Extension
Insured's Property stored at other locations
Public Utilities Extension

For more information or specific queries contact us on info@optima.co.in