



DOMINION INSURANCE LIMITED

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CONSEQUENTIAL LOSS POLICY

WHAT YOU ARE INSURED FOR

The Dominion will indemnify you, the Insured, in respect of any consequential loss as defined by the Items below (not exceeding the sum insured for each Item specified within the Policy Schedule) that you shall sustain as a result of damage to the buildings and/or contents at the Premises caused by a peril specified within the policy schedule and subject to the Terms and Conditions of this Policy.

Provided that the buildings and/or contents which have sustained damaged are insured and that the insurer has paid for or admitted liability (or would have paid or admitted liability except for the application of a Deductible or Excess)in respect of the damage.

ITEM 1 LOSS OF GROSS PROFIT

The insurance under this item is limited to loss of Gross Profit due to (a)Reduction in Turnover and, (b) Increase in cost of Working and the amount payable as indemnity under this item will be:

(a) 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 Damage, falls short of the Standard Turnover;

(b) 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 Damage, 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 Gross Profit as may cease or be reduced in consequence of Damage.

DEFINITIONS ITEM 1

GROSS PROFIT (Additions Method) - The sum produced by adding to the Net Profit the amount of the Insured Standing charges, or if there is no Net Profit the amount of the Insured Standing Charges less such a proportion of any net trading loss as the amount of the Insured Standing Charges bears to all Standing Charges of the Business.

NET PROFIT - The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the Business at the Premises, after due provision has been made for all outstanding and other charges, including depreciation, but before the deduction of any taxation chargeable on profits.

STANDING CHARGES - All charges included in the annual calculation of insured Gross Profit for the purpose of premium adjustment.

GROSS PROFIT (Difference Method) - The amount by which the sum of the Turnover and the Closing Stock exceeds the sum of the Opening Stock and the Uninsured Working Expenses.

Note: The amounts of the Opening and Closing Stock are to be arrived at in accordance with the Insured’s normal accountancy methods, due provision being made for depreciation.

UNINSURED WORKING EXPENSES - All expenses subtracted in the annual calculation of insured Gross Profit for the purpose of premium adjustment.

TURNOVER - The money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business at the Premises; and any money paid or payable to the Insured by tenants in respect of rental of the Premises and for services rendered, and any money paid or payable by tenants for rates, insurance and other fixed expenses which, but for that payment, would be payable by the Insured.

RATE OF GROSS PROFIT - The Rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage (or in the event of any claim arising from Damage occurring before the completion of the first year’s trading of the Business at the Premises, the Rate of Gross Profit earned on the Turnover during the period between the date of the commencement of the Business and the date of the Damage);

to which such adjustments are to be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage, or which would have affected the Business had the

Damage not occurred; so that the figures thus adjusted will represent, as nearly as may be reasonably practicable, the results which, but for the Damage would have been obtained during the relative period after the Damage.

STANDARD TURNOVER - The Turnover during the Period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period (or in the event of any claim arising from Damage occurring before the completion of the first year's trading of the Business at the Premises, the proportional equivalent for a period equal to the Indemnity Period of the Turnover realised during the period between the commencement of the Business and the date of the Damage); to which such adjustments are to be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage, or which would have affected the Business had the Damage not occurred; so that the figures thus adjusted will represent, as nearly as may be reasonably practicable, the results which, but for the Damage would have been obtained during the relative period after the Damage.

ANNUAL TURNOVER - The Turnover during the twelve months immediately before the date of the Damage (or in the event of any claim arising from Damage occurring before the completion of the first year's trading of the Business at the Premises, the proportional equivalent, for a period of twelve months, of the Turnover realised during the period between the commencement of the Business and the date of the Damage);

PROVISIONS ITEM 1

ALTERNATIVE TRADING - If, during the Indemnity Period, goods are sold or services are rendered elsewhere than at the Premises for the benefit of the Business, either by the Insured or by others on behalf of the Insured, the money paid or payable in respect of those sales or service will be brought into account in arriving at the Turnover during the Indemnity Period.

AVERAGE - If the Sum Insured by this Item is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (divided by 12 and multiplied by the number of months of the Period of Indemnity where the Period of Indemnity is more than 12 months) , the amount payable under this Item will be proportionately reduced.

DEPARTMENTS - If the Business is conducted in departments or other units, the independent trading results of which are ascertainable, the provisions of clause (a) and (b) of this Item will apply separately to each department or other unit affected by the Damage.

UNINSURED FIXED EXPENSES - If any fixed charges or expenses of the Business are not insured by this Policy (having been excluded in arriving at the Gross Profit), then in computing the amount recoverable under this Item as Increase in Cost of Working, that proportion only of any additional expenditure will be brought into account which the Gross Profit bears to the sum of the Gross Profit and those uninsured fixed expenses.

ITEM 2 GROSS RENTALS

The insurance under this Item is limited to (a) Loss of Gross Rentals and (b) Increase in Cost of Working and the amount payable as indemnity under this Item will be -

(a) In respect of Gross Rentals

The amount by which the Gross Rentals during the Indemnity Period, in consequence of Damage, falls short of the Standard Gross Rental;

(b) In respect of Increase in Cost of Working

The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Rentals which, but for that expenditure, would have taken place during the Indemnity Period in consequence of Damage, but not exceeding the amount of the reduction in Gross Rentals thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the expenses of the Business payable out of Gross Rentals as may cease or be reduced in consequence of Damage.

DEFINITIONS ITEM 2

GROSS RENTALS - The money paid or payable to the Insured by tenants in respect of rental of the Premises and for services rendered; and any money paid or payable by tenants for rates, insurance and other fixed expenses which, but for the payment, would be payable by the Insured.

STANDARD GROSS RENTALS - The Gross Rentals during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period (or in the event of any claim arising from Damage occurring before the completion of the first year's trading of the Business at the Premises, the proportional equivalent for a period equal to the Indemnity Period of the Gross Rentals realised during the period between the commencement of the Business and the date of the Damage); to which such adjustments are to be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after Damage, or which would have affected the Business had the Damage not occurred; so that the figures thus adjusted will represent, as nearly as may be reasonably practicable, the results which, but for the Damage would have been obtained during the relative period after the Damage.

ANNUAL GROSS RENTALS - The Gross Rentals during the twelve months immediately before the date of Damage (or in the event of any claim arising from Damage occurring before the completion or the first year's trading of the Business at the Premises, the proportional equivalent, for a period of twelve months, of the Gross Rentals realised during the period between the commencement of the Business and the date of the Damage);

to which such adjustments are to be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage, or which would have affected the Business had the Damage not occurred; so that the figures thus adjusted will represent as nearly as may be reasonably practicable, the results which, but for the Damage would have been obtained during the relative period after the Damage.

PROVISIONS ITEM 2

ALTERNATIVE PREMISES - If, during the Indemnity Period, the Business is conducted elsewhere than at the Premises, the Gross Rentals derived from the other premises will be brought into account in arriving at the Gross Rentals during the Indemnity Period.

AVERAGE - If the Sum Insured by this item is less than the Annual Gross Rentals (divided by 12 and multiplied by the number of months of the Period of Indemnity where the Period of Indemnity is more than 12 months) the amount payable under this Item will be proportionately reduced.

DEPARTMENTS - If the Business is conducted in departments or other units, the independent trading results of which are ascertainable, the provisions of clause (a) and (b) of this Item will apply separately to each department or other unit affected by the Damage.

ITEM 3 PAYROLL (DUAL BASIS)

The Insurance under this Item is limited to loss in respect of Payroll and the amount payable as indemnity under this Item will be-

(a) In respect of Reduction in Turnover

1) during the portion of the Indemnity Period beginning with the occurrence of the Damage and ending not later than the Initial Period specified in the Policy Schedule, the sum produced by applying the Rate of Payroll to the Shortage in Turnover during that portion of the Indemnity Period;

less any saving during that portion of the Indemnity Period through reduction, in consequence of the Damage, in the amount of Payroll paid;

2) during the remaining portion of the Indemnity Period, the sum produced by applying the Rate of Payroll to the shortage in Turnover during that remaining portion of the Indemnity Period;

less any saving during that remaining portion of the Indemnity Period through reduction, in consequence of the Damage, in the amount of Payroll paid;

but not exceeding the sum produced by applying the percentage specified in the Policy Schedule of the Rate of Payroll to the Shortage in Turnover during that remaining portion of the Indemnity Period, increased by such amount as is deducted for savings under the terms of Clause 1).

NOTE: At the option of the Insured the number of weeks referred to in Clause (a) 1) above may be increased to the number specified in the Policy Schedule provided that the amount arrived at under the provisions of Clause (a) 2) will not exceed such amount as is deducted under clause (a) 1) for savings effected during the increased number of weeks.

(b) In respect of Increase in Cost of Working

so much of the additional expenditure described in Clause (b) of the Item on Gross Profit as exceeds the amount payable under that Item but not more than the additional amount which would have been payable in respect of reduction in Turnover under the provision of Clause (a) 1) and 2) of this Item had such expenditure not been incurred.

DEFINITIONS ITEM 3

PAYROLL - The gross remuneration (including but not limited to wages, salaries, redundancy payments, FNPf and FNtc contributions, meal subsidies, accommodation, workers compensation insurance premiums, bonuses, holiday pay, sick pay, superannuation contributions and any other payments whatsoever pertaining to payroll), for all employees other than -

(a) employees not engaged in activities of the Business

(b) outworkers paid solely on an output basis

(c) agents or employees paid solely on a commission basis.

(d) casual workers

(e) employees whose remuneration is treated as salaries in the Insured's books of account, but only where this category of employee is specifically deleted from this Item as indicated within the Policy Schedule.

RATE OF PAYROLL - The rate of Payroll to Turnover during the financial year immediately before the date of the Damage (or in the event of any claim arising from Damage occurring before the completion of the first year's trading of the business at the Premises, the Rate of Payroll during the period between the commencement of the Business and the date of the Damage); to which such adjustments are to be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage, or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

SHORTAGE IN TURNOVER - The amount by which the Turnover during a period, in consequence of the Damage, falls short of the part of the Standard Turnover which related to that period.

PROVISIONS ITEM 3

AVERAGE - If the Sum Insured by this Item is less than the sum produced by applying the Rate of Payroll to the Annual Turnover (divided by 12 and multiplied by the number of months of the Period of Indemnity where the Period of Indemnity is more than 12 months), the amount payable under this Item will be proportionately reduced.

DEPARTMENTS - If the Business is conducted in Departments or other units, the independent trading results of which are ascertainable, the provisions of clause (a) and (b) of this Item will apply separately to each department or other unit affected by the Damage.

ITEM 4 WAGES

The insurance under this Item is limited to loss incurred by the Insured by the payment of Wages for a period beginning with the occurrence of the Damage and ending not more than the number of weeks specified in the Policy Schedule.

The amount payable as Indemnity under this Item will be the actual amount paid by the Insured as Wages for the specified period to employees whose services cannot, in consequence of the Damage, be used at all by the Insured during that period and an equitable part (based upon Shortage in Turnover) of the Wages paid for the specified period to employees whose services cannot, in consequence of the Damage, be used in full by the Insured during that period.

DEFINITIONS ITEM 4

WAGES - The gross remuneration (including but not limited to wages, salaries, redundancy payments, FNPF and FNTC contributions, meal subsidies, accommodation, workers compensation insurance premiums, bonuses, holiday pay, sick pay, superannuation contributions and any other payments whatsoever pertaining to payroll), for all employees other than -

- (a) employees not engaged in activities of the Business
- (b) outworkers paid solely on an output basis
- (c) agents or employees paid solely on a commission basis.
- (d) casual workers
- (e) employees whose remuneration is treated as salaries in the Insured's books of account, but only where this category of employee is specifically deleted from this Item as indicated within the Policy Schedule.

PROVISIONS (WAGES ITEM)

AVERAGE - If the sum Insured by this Item is less than the amount of Wages that would, but for the Damage, have been paid during the specified period, the amount payable under this Item will be proportionately reduced.

ITEM 5 CLAIM PREPARATION COSTS

The Insurance under this Item is to cover costs (including but not limited to fees) reasonably incurred by the Insured for preparation of claims under this Policy.

ADDITIONAL PROVISIONS

Premium Adjustment (This provision applies to Items 1, 2, 3 and 4)

- (a) Within six months of the period for which the premium is to be adjusted, the Insured must submit to the Company a certificate from the Insured's auditors setting out the actual Gross Profit, Gross Rentals or Wages in the accounting year most nearly concurrent with the Period of Insurance.
- (b) If the actual Gross Profit, Gross Rentals or Wages so certified is less than the Sum Insured for each respective Item, then, subject to any refund payable under this clause not exceeding 50% of the initial premium charged for insurance under the Item, the premium will be adjusted at the agreed rates on the amount so certified.
- (c) If any claim occurs during the period for which the premium is to be adjusted, the amount paid or payable for loss under the applicable Item occurring during that period will be regarded as actually earned.

Reinstatement

The sum insured shall not be reduced by the amount of any claims paid. The Insured undertakes to pay such premium at the applicable rate as may be required for this reinstatement.

Accumulated Stocks

In adjusting any loss, account will be taken, and an equitable allowance made, if any Shortage in Turnover due to the damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods held by the insured.

Progress Claim Payments

In the event of Damage giving rise to a claim under this Policy, the Dominion will make progress claim payments on production of a statement of claim certified by the Accountant appointed in accordance with Condition 2 of this policy.

Turnover or Other Index

In the event of a claim under this Policy adjustment may be based on Turnover or any other index of business activity (Alternative Index), whichever affords the more equitable result and - except in the definitions of Turnover - the word "Turnover" wherever used in this policy is to be read as "Turnover or Alternative Index".

Value Added Tax Liability

Where specified in the schedule as an extension to this policy and in return for an additional premium it is agreed that all adjusted claims (before application of any deductible) will be increased by 11.111%

WHAT YOU ARE NOT INSURED FOR - DEDUCTIBLES AND EXCLUSIONS.

- 1 The amount of any deductible as specified in the policy schedule.
- 2 Loss occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences:
 - (a) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular uprising, riot, military rising, rebellion, revolution, insurrection, terrorism, sabotage, military or usurped power.
 - (b) Nuclear weapons material or ionizing radiation or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel.

CONDITIONS

- 1 Fraud:** If any claim under this policy shall be false or fraudulent in any respect then this insurance shall be void, no benefits shall be paid, and any benefits already paid will be recoverable by the Dominion.
- 2 Claims:-A.** The Insured shall:
 1. Immediately notify the Dominion of any occurrence which may give rise to a claim.
 2. Take all reasonable steps to prevent further loss.
 3. Within 30 days submit in writing full particulars of the occurrence and/or claim in such a form or manner as may be reasonably required by the Dominion so that any claim is not prejudiced.
 4. Within 180 days following restoration of the damage giving rise to a claim under this policy submit to the Dominion a statement of the claim certified by an Accountant (who is a member of the Fiji Institute of Accountants) or other person approved by the Dominion unless it has been agreed in writing that the claim is to be adjusted by a person appointed by the Dominion.
 5. Provide to the Dominion or their representative all books of account and give all information and assistance to the Dominion in the investigation of any claim.

B. In the event of any claim the Dominion shall be entitled:

 1. To take proceedings in the name of the insured to obtain relief from any third party and undertake the conduct, control or compromise of any such proceedings.
- 3 Other Insurance:-**If at the time of any loss, damage or liability there shall be any other insurance covering such loss, damage or liability or any part thereof, the Dominion shall be liable only for the amount of loss not covered by such other insurance.
- 4 Cancellation and Variations:-**
 - (a) The Insured may cancel this policy at any time in which case the Dominion will refund 80% of the unused premium.
 - (b) The Dominion may cancel this policy or amend the terms, exclusions and limitations after 4.00pm on the 14th day following dispatch or written notice to the Insured's last known address. The Insured shall be entitled to a return of premium proportionate to the unexpired period of the cancelled policy.
- 5 Jurisdiction:-**Notwithstanding anything contained in this policy to the contrary the indemnity provided herein shall not be apply to:
 1. Any matter where an action for damages is brought in a court of law outside Fiji and not subject to Fiji law or where an action is brought in Fiji to enforce a foreign judgment whether by way of reciprocal agreement or otherwise.
 2. Costs and expenses of litigation which are not incurred within Fiji.
- 6 Premium payment:-** Unless alternative premium payment terms have been agreed in writing this policy will become null and void 30 days after the original inception date or any subsequent renewal date unless the full annual premium has been paid to the Dominion.
- 7 Proposal:-**The truth of the statements and answers in the proposal form submitted by the Insured shall be a condition precedent to any liability of the Dominion to make any payment under this Policy.