



DOMINION INSURANCE LIMITED

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CONSEQUENTIAL LOSS INSURANCE PROPOSAL

AGENCY CLIENT/POLICY REF.

REPLACING DOMINION INSURANCE POLICY NUMBER _____ DUE _____

IMPORTANT NOTE: - The Dominion will assume that all questions are answered on behalf of all proposers, partners, directors, owners and all other interested parties.

THE INSURED _____

[1] BUSINESS _____ [2] OWNER/MANAGER _____ [3] TELEPHONE -HOME/BUS _____

[4] POSTAL ADDRESS FOR NOTICES _____

[5] SITUATION OF THE PREMISES _____

[6] PERIOD OF INSURANCE - FROM _____ / _____ /19 TO 4PM ON _____ / _____ /19

[7] WHO IS THE INSURER OF THE BUILDING AND/OR CONTENTS _____

[8] PERILS TO BE COVERED (Any peril insured under the Consequential Loss must also be insured under the building and/or contents policy. The perils insured under the Consequential Loss Policy can however be more restrictive than the building/contents policy.)

Consequential Loss to be Insured for:

- Fire YES/NO
- Earthquake YES/NO
- Other Extraneous Perils as described in Dominions standard Fire Policy YES/NO
- Cyclone YES/NO
- Flood YES/NO
- Other Perils _____

[9] DO YOU WISH TO INSURE YOUR LIABILITY FOR VAT FOLLOWING RECEIPT OF A CLAIM PAYMENT YES/NO
(Under the Value Added Tax Decree you will be liable to pay 1/11 of any claim payment received to the inland Revenue Department. The policy can be extended to pay 111.11% of the adjusted claim in return for an additional premium of 11.111%)

[10] INSURANCE COVER REQUIRED (The last two pages of this proposal contain information and guidance to assist you in arriving at the correct sum insured and cover.)

POLICY ITEM	INDEMNITY PERIOD (Months)	SUM INSURED
1 Gross Profit		\$
2 Gross Rentals		\$
3 Payroll (Dual Basis) 100% for _____ weeks, remainder _____ %		\$
4 Wages - number of weeks _____		\$
5 Claim Preparation Costs		\$
6 Other		\$
7 Other		\$

[11] WHAT METHOD WAS USED TO CALCULATE THE GROSS PROFIT SUM INSURED? ADDITIONS/DIFFERENCE

CONTINUED ON OTHER SIDE

[12] HOW OFTEN DO YOU COMPLETE A STOCK TAKE _____

[13] HOW OFTEN DO YOU PRODUCE A PROFIT & LOSS ACCOUNT _____

[14] ARE YOUR ACCOUNTS AUDITED AND IF SO BY WHOM _____

[15] WHEN DOES YOUR FINANCIAL YEAR END. _____

[16] HAVE YOU OR ANY DIRECTOR, OWNER OR PARTNER EVER:

- | | |
|--------------------------------------------------------------|--------|
| (a) Had insurance cancelled or refused | YES/NO |
| (b) Had special conditions put on a policy | YES/NO |
| (c) Made a claim against a Fire or Consequential Loss policy | YES/NO |
- (If YES please provide details)
-

DECLARATION - Please read carefully before signing.

I/We declare and warrant that: - I/We are not already insured unless stated otherwise. I/We will take all reasonable care to prevent loss or damage. The information given above and on the other side of this proposal is true and no other relevant information has been withheld. I/We agree that this application shall be the basis of the contract between us and accept the Policy subject to the terms and conditions it contains and I/We further agree to pay the premium

SIGNED BY THE PROPOSER _____ DATE _____

OFFICE USE ONLY

DAYS

ITEM INSURED	SUM INSURED	RATE	ANNUAL PREMIUM	PRO RATA
GROSS PROFIT				
GROSS RENTALS				
WAGES (DUAL BASIS)				
WAGES OTHER				
CLAIM COSTS				
SUB TOTAL				
ADDITIONAL VAT PREMIUM		11.111%		
TOTAL				

CALCULATION OF SUMS INSURED.

The following guide is intended to assist with the calculation of an appropriate sum insured and explain some of the words and terms included within this proposal. The intention of a Consequential loss policy is to indemnify the Insured for any pre tax net profit lost or reduced as a result of any insured material damage loss to the Insured's buildings and contents.

INDEMNITY PERIOD. This is the period stated in months during which the turnover of the business could be affected by major damage to the buildings or contents. Allowance should be made for the drawing up of new building plans, construction time, locating new premises, ordering and installing new machinery and the period required to re-establish markets and turnover.

GROSS PROFIT This item is intended to insure the pre tax net profit and all fixed expenses of the business. There are two ways to calculate the appropriate sum insured. Use either method A or B.

A Difference Method. This method subtracts the variable expenses from the turnover.		
Total turnover during the period ending _____	\$ _____	
Plus Closing Stock	\$ _____	\$ _____
Less		
Opening Stock	\$ _____	
and variable expenses eg		
Stock Purchases	\$	
Wages (if not required or insured separately)	\$	
Electricity	\$	
Water	\$	
Commissions paid	\$	
Other _____	\$	
_____	\$	
_____	\$	
Total variable or uninsured working expenses		\$ _____
Gross Profit		\$ _____
Where the indemnity period exceeds 12 months multiply the Gross Profit figure by the relevant factor eg 15 months = 125%, 18 months =150%		
27 months = 225%		\$ _____
Plus Adjustment for inflation and business trend		\$ _____
Plus 10% for insurance of VAT liability (if required)		\$ _____
TOTAL SUM INSURED FOR GROSS PROFIT		\$ _____

B Additions Method. This method adds to the pre tax net profit all of the fixed operating expenses.		
Total pre tax profit for the period ending _____		\$ _____
Plus all fixed expenses eg		
Interest	\$	
Wages (if required or not insured separately)	\$	
Rates	\$	
Insurance	\$	
Rent	\$	
Other _____	\$	
_____	\$	
_____	\$	
Total fixed expenses or standing charges		\$ _____
Gross Profit		\$ _____
Where the indemnity period exceeds 12 months multiply the Gross Profit figure by the relevant factor eg 15 months = 125%, 18 months =150%		
27 months = 225%		\$ _____
Plus Adjustment for inflation and business trend		\$ _____
Plus 10% for insurance of VAT liability (if required)		\$ _____
TOTAL SUM INSURED FOR GROSS PROFIT		\$ _____

GROSS RENTALS

Annual Rental income for the year ending _____ \$

WAGES (including FNPF, FNTC contributions, meal allowances etc.)

Annual wage roll for the period ending (this figure should equal the wages subtracted as an uninsured working expense in calculating the Gross Profit sum insured using the difference method.) \$ _____

Dual Basis

(a) The number of weeks for which 100% of wages need to be insured _____

(b) The percentage of total wages which need to be insured for the remainder of the indemnity period. _____

Specified period

The number of weeks for which insurance of wages is required 100%. The maximum number of weeks allowed is equal to the period of indemnity. _____