



[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%		
<b>TOTAL</b>				

**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.

<b>A Difference Method.</b> 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)		\$ _____
<b>TOTAL SUM INSURED FOR GROSS PROFIT</b>		<b>\$ _____</b>

<b>B Additions Method.</b> 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)		\$ _____
<b>TOTAL SUM INSURED FOR GROSS PROFIT</b>		<b>\$ _____</b>

**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. \_\_\_\_\_