



"A Symbol of Trust, Security and Progress"

Tausi Assurance Company Limited

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COMBINED ASSET ALL RISKS & BUSINESS INTERRUPTION INSURANCE PROPOSAL FORM.

The issuing of this form is not to be taken as an admission of liability by the Insurers.

NB: All questions must be answered in full. Dashes are not acceptable. Please use **BLOCK LETTERS** and tick where appropriate.

PARTICULARS OF PROPOSER

1. Business Name of the insured

Nature of Business:

--	--	--

Physical location of business

Plot No.	No. of floors	Street Position

Construction of walls and roof

--	--	--

Postal Address

P.O. Box:	Code:	Town:

Telephone Contact

--	--	--

Email Address:

--	--	--

Certificate of Incorporation
No.(Corporate)

--	--	--

(Attach Copy)

PIN No.

--	--	--

Period of Insurance

From:	To:

The following questions (1 to 4) constitute part of this proposal and must be answered fully and accordingly

1. (a) Are you currently insured or have you ever proposed for insurance in respect of any of the risks proposed?

☐

YES

☐

NO

If 'Yes' give full details:-

Insurer:

--	--	--

Policy No:

--	--	--

(b) Have you ever sustained a loss during the past 3 years from the risks against which the insurance is now proposed?

☐

YES

☐

NO

If 'Yes', give full details

(c) Has any insurer or underwriter ever declined to insure you, required special terms to insure you, cancelled or refused to renew your insurance, or increase your premium on renewal?

☐

YES

☐

NO

If you have answered 'Yes', give full details

2.(a) Do you maintain a proper set of Accounts?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
(b) Are account books kept up to date?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
(c) When did you take last physical stock (inventory)?		
(d) Where are they kept out of business hours?		
(e) Are the account books locked up in a fire-proof safe or removed to another building at all times when the premises are not open for business purposes?	<input type="checkbox"/> YES	<input type="checkbox"/> NO

3. Have you or any of the partners or directors ever been bankrupt or made a compromise with the directors?	<input type="checkbox"/> YES	<input type="checkbox"/> NO

4. Are there any circumstances or information you should tell us about which may affect our decision to accept this insurance in terms?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
	If 'Yes', give full details	

SECTIONS REQUIRED
<p>SECTION: 1 – PROPERTY DAMAGE</p> <p style="margin-left: 20px;">SECTION: 1A – FIRE & ALLIED PERILS</p> <p style="margin-left: 20px;">SECTION: 1B – ALL RISKS</p> <p style="margin-left: 20px;">SECTION: 1C – BURGLARY</p> <p style="margin-left: 20px;">SECTION: 1D – MONEY</p> <p style="margin-left: 20px;">SECTION: 1E – GOODS IN TRANSIT</p> <p style="margin-left: 20px;">SECTION: 1F – PLATE GLASS</p> <p>SECTION: 2 – FIRE CONSEQUENTIAL LOSS</p> <p>SECTION: 3 – ELECTRONIC EQUIPMENT</p> <p>SECTION: 4 – MACHINERY BREAKDOWN</p> <p>SECTION: 5 – MACHINERY AND ELECTRONIC EQUIPMENT LOSS OF PROFIT</p>

TECHNICAL DETAILS

SECTION 1A. – FIRE AND PERILS (BUILDINGS AND CONTENTS)

External walls

Floors

Roof

No. of storey's

Occupied as:

Are you the only occupier?

☐ YES

☐ NO

If 'No', describe the other occupiers

Are there any buildings communicating with the premises proposed to the insurers?

☐ YES

☐ NO

If so, describe the same

Are there hazardous goods kept in the building?

☐ YES

☐ NO

If yes, give the quantities

Description of property	Total Sum Insured
Building of 1st class construction	
Office Furniture, fixtures & fittings	
Stock in trade, merchandise, unfinished goods	
Rent payable/ Rent receivable.....Months	
On other contents.....	
Any other items not specified above	
TOTAL	

SECTION 1B: ALL RISKS

This section is for special equipment that you wish to insure such as office equipment, tools of trade and any other portable equipment that are prone to accidental damage.

Note: Attach the schedule of items as follows.

Item No	Description	Make and Model	Serial No.	New Replacement Value	Current Amount

SECTION 1C: BUGLARY

Description of property	Total Declared Value	First loss Sum Insured
Stock in trade, merchandise, unfinished goods		
Plant and machinery and other contents		
Office Furniture and Fittings		
On other contents.....		
Any other items not specified above		
TOTAL SUM INSURED		

1. Who is responsible for the security arrangements?		
2. What security arrangements are in place? (Tick appropriate option/s) and specify	<input type="checkbox"/> Watchmen	Please specify number and whether day or night
	<input type="checkbox"/> Burglar Alarm	<input type="checkbox"/> Security Guards Firm
	<input type="checkbox"/> Any Other Please specify	
3. If you engage a Security Guard Company state the name of the firm (Plus attach copy of the contract)s		
4. How have you Secured:		
Windows?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Show windows?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Front Door/s?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Rear Entrance?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Sky Lights?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Trap doors?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Others? Please specify.		

SECTION 1D: MONEY		
THE PREMISES		
(a) State the type of premises where the business is carried out i.e. warehouse, go down, shop, offices, factories, others		
(b) What are your usual business hours?	FROM	TO

SAFE/STRONGROOM	
Do you require cover for cash contained in a locked safe or strong room?	<input type="checkbox"/> YES <input type="checkbox"/> NO
If yes, please state:	
Make of Safe or Strong room:	
Type:	
Size:	Weight:
Where will it be kept?	
How is the safe secured and/or anchored?	

TRANSIT COVER	
Describe how your money is conveyed (Tick where appropriate)	
By employees	<input type="checkbox"/> YES <input type="checkbox"/> NO
By security firm	<input type="checkbox"/> YES <input type="checkbox"/> NO
Police escort	<input type="checkbox"/> YES <input type="checkbox"/> NO
Others (Please specify)	

LIMIT OF COVER REQUIRED	
CIRCUMSTANCES	AMOUNT
1. Money in Direct Transit from premises to bank (or any other licensed money agents) and vice versa.	KES
2. Money in the Insured's premises during business hours.	KES
3. Money in the Insured's premises out of business hours securely locked in cabinet/drawer	KES
4. Money in the hands of and/or at the residences of Insured's authorised employee, the Insured's principals or authorized employees.	KES
5. Money in the hands of sales persons/drivers and/or other employees authorized to collect sales money/proceeds	KES
6. National Hospital Insurance Fund and revenue Stamps	KES
7. Money in locked safe or strong rooms	KES
8. Value of safe or strong-room	KES
9. Any other (please specify)	KES
	KES
	KES
	KES
	KES
Estimated Annual Carry	KES

Please note that the cover is subject to an escort/transit warranty(specimen wordings are available on request)

SECTION IE: GOODS IN TRANSIT

DETAILS OF RISK

1. How long have you been in business and at what address or addresses?

☐

YES

☐

NO

2. State Regions covered on ordinary course of business

3.(a) Give a brief description of goods to be carried

(b) Will you be carrying your own goods?

☐

YES

☐

NO

(c) If the answer to (b) is no, will you be carrying goods belonging to other parties under a contract for a fee?

☐

YES

☐

NO

(d) Are you engaged in general cartage business?

☐

YES

☐

NO

4. How will goods be carried (e.g. Own vehicles, Haulier's lorry & Railways Goods Train)

If the goods will be carried on own vehicles:

i) Will the vehicle and/or trailers be garaged either on your own premises or elsewhere overnight while loaded?

☐

YES

☐

NO

If so, please state

(a) Maximum number of vehicles likely to be garaged together:

Vehicles

Trailers

(b) The address of such garage:

(ii) (a) Will a turn boy accompany or be employed on each vehicle?

☐

YES

☐

NO

(b) Will the driver and turn boy be instructed never to leave a loaded vehicle or trailer unattended unless garaged?

☐

YES

☐

NO

(c) What precautions will be taken if the vehicle is ungaraged?

(iii) Give the following particulars of each vehicle [including trailers] :-

Make and Description of Vehicle	Year of Manufacture	Carrying capacity in cwts	MOTOR VEHICLE ONLY			Maximum sum to be Insured on each vehicle or trailer
			Registered Letters & Numbers	Motive Power	Horse Power	

LIMITS OF COVER REQUIRED

5. Please state:

(a) Maximum Insurance required in respect of any one vehicle or transit Kshs

(b) Estimate of total value of goods to be carried for the next 12 months Kshs

(c) Basis of Valuation of goods: Invoice value

CLAIMS EXPERIENCE

6. Give the following details of all damages or losses you have sustained during the past three years from the risks against which Insurance is now proposed:

Year	No. of Vehicles or Total value of goods	Number of Losses	TOTAL AMOUNT OF LOSS OR DAMAGE			
			Fire Shs.	Theft Shs.	Other Loss	Other Damage Shs.

NOTE:

1. The Insured is required to bear the first 10% minimum Kshs.20, 000/=, of each and every loss or damage to goods.
2. If the premium is charged on an estimated annual carry then as per the declaration condition, you are required to declare the actual goods in transit figures upon expiry of the period of insurance within the next 30 days, to enable us adjust the deposit premium charged.

SECTION 1F : PLATE GLASS INSURANCE

RISK DETAILS

1. Situation of the Premises in which the plate glass is contained

2. Nature of the business carried out in the premises

3. Are the premises situated at the corner of the street or exposed to any special risk?

☐ YES

☐ NO

If so, give particulars

4. Are you

(i) The Proprietor

☐ YES

☐ NO

(ii) The Tenant

☐ YES

☐ NO

5. Is there any glass in the premises not included in the schedule?

☐ YES

☐ NO

If so, specify it

PREVIOUS CLAIMS

6. Is there at present any broken or damaged glass?

☐ YES

☐ NO

7. Have there been any previous breakages

☐ YES

☐ NO

INSURANCE DETAILS

8. Have you been insured for similar risks before?

☐ YES

☐ NO

If so, give name of the company.

9. Have any company refused to accept or continue your insurance or increased the premium therefore?

☐ YES

☐ NO

If so, please give details

INSURANCE DETAILS

Position of each square or pane of glass	Size of each square or pane		Description of Glass	Value Shs.		Premium Shs.	
	Height in cms	Width in cms	State whether Plain, Plate or Plain Sheet Painted, Rough, Silvered, Embossed, Stained, Bent or Ornamental				

Note: In the event of loss all Glass is considered plain unless the contrary is specially stated in the policy.
No Littering, Embossing, Silvering or any ornamental work is considered Insured unless stated in the policy.

SECTION 2: CONSEQUENTIAL LOSS

SUM INSURED

The sum insured on Gross Profits is based on the amount of Turnover less the sum of those working expenses which vary proportionately with the turnover and should be calculated from the accounts of the business for the last financial year.

The following points must be kept in mind:

1. Adjustment must be made to take into account the trend of the business bearing in mind the figure that would apply at the end of the Indemnity Period
2. The sum insured should be reviewed at regular intervals to keep it in line with current and projected levels of earnings

The method of calculating the loss recoverable under the policy is quite simple and is based primarily upon a comparison between the turnover achieved following the damage and that in the corresponding period of the preceding year, provision being made or appropriate adjustments to allow for the current trend of the business.

Note 1.

This cover is not available unless there is a Fire Material Damage policy in force covering the insureds interest in the property at the premises for which this proposal is being made.

Note 2.

No claims will be payable under the Loss of Profits policy unless there is in force at the time of the loss of Material Damage Policy covering the Insured interest in the property and payment shall have been made or liability admitted under such Insurance.

Note 3

The Buildings, Plant & Machinery under the Fire Materials Damage Policy must be insured on a Replacement value basis.

THIS PAGE IS TO ASSIST IN COMPLETING THE PROPOSAL FORM

Calculation of the Sum Insured

Extract from the accounts of the business for the last financial year

Item 1	Gross Profit	Kshs
	Turnover for the last financial year.	Kshs.
	Add: Closing stock at end of the year	Kshs.
	Sub Total	Kshs.
	Deduct: Opening stock at beginning of year	Kshs.
	Sub Total	Kshs.
	Deduct: Uninsured working expenses which vary directly with turnover	Kshs.
	i) Purchases (less discounts received)	Kshs.
	ii) Discounts allowed	Kshs.
	iii) Wages (if insured under item 2	Kshs.
	iv)	Kshs.
	v)	Kshs.
	vi)	Kshs.
	Total	Kshs.
	Total. (Annual Gross Profit for the last financial year)	Kshs.
	Add Allowance for future trend of business	Kshs.
	Total Sum Insured under Item 1	Kshs.
	Item 2	Wages
Total Annual Wages roll for last financial year		Kshs.
Add: Allowance for future increase		Kshs.
Total sum insured under Item 2		Kshs.

- Where an Indemnity Period in excess of Twelve months is required the respective sums insured under item 1 and 2 should represent the estimated gross profit and wages for the full period of indemnity.
- The intention of the policy is to pay for loss of Gross profit which would have been earned or wages which would have been paid during the period of interruption following the damage.
- The sum insured should therefore be fixed at a figure higher enough to allow for any possible upward trend of the business.

- An auditor's certificate should be submitted annually to the Company and should this disclose that there has been over-insurance a return of premium will be made to the insured under each item of the insurance up to a maximum return of 50% of the actual premium paid during the relative period of insurance.
- If any damage shall have occurred giving rise to a claim under this policy, such return shall be made in respect to only so much of the said difference as is not due to such damage.
- It is therefore understood and agreed that if a claim is paid under this policy, the amount paid by insurer will be added back to the actual Gross Profit before calculating the return premium.
- The actual gross profit should be declared at the latest nine months after expiry of the policy.

Note 1.

Turnover is the money paid or payable to the proposer for goods sold and delivered and for services rendered in the course of the business at the premises to which the insurance applies.

Note 2.

Specified working expenses are those which are likely to reduce approximately in proportion to turnover whatever the extent of the interruption might be following any damage.

Note that the specified working expenses are uninsured working expenses.

NOTES RELATING TO GROSS PROFIT

Note 1.

Gross profit - Where the Indemnity Period of twelve months is selected the sum insured on Gross Profit should be calculated from the accounts of the business as follows:

Annual Turnover	Plus	Closing Stock
	Less	

Opening stock, Purchases and other working expenses which vary directly with turnover, due allowance being made for any anticipated increase in business.

If an Indemnity Period in excess of twelve months is required, the Sum Insured should represent the estimated gross profits for the full period selected.

Note 2.

Wages -100% wages cover is provided for as short initial period (of not less than four weeks) following a fire or damage by other perils and a smaller percentage for the remainder of the indemnity period selected for item 1. This form of cover is available only in conjunction with insurance on gross profit with an indemnity period of not less than twelve months.

If an indemnity period in excess of twelve months is required, the sum insured should present the estimated wages for the full period selected. The sum insured should include nation insurance contributions, bonuses, holiday pay and the like.

Note 3.

Auditor's fees - The insurance on auditor's fees is to provide for fees payable to your auditors for extracting and certifying information required in connection with a claims.

AMOUNTS TO BE INSURED

Item 1.	On Gross Profit (see Note 1.)	Kshs.
	The working expenses to be excluded are:-	
	i) Purchases (less discounts received)	
	ii) Discounts allowed	
	iii) Wages (if insured under item 2)	
	Total.	
Item 2.	On all pages (see Note 2.)	
	For the first _____ Weeks during the initial period and _____ % Of the total wages roll during the remaining portion of the Indemnity Period	
Item 3.	On Auditor's charges (see Note 3.)	
	Total Sum Insured	

Period for which indemnity is required _____ Consecutive Months following the date of the damage.

SECTION 3: ELECTRONIC EQUIPMENT

1. Condition of Equipment: -

Is equipment maintained in accordance with the manufacturer's instructions? ☐ YES ☐ NO

Total Sum insured under section A - (Material damage)	
Total Sum insured under section B - (External Data media)	
Total Sum insured under section C - (Increased cost of working)	
TOTAL SUM INSURED	

Note: Attach the schedule of all Electronic Equipment as follows.

Item No	Description	Make	Model	Serial No.	New Replacement Value

SECTION 4: MACHINERY BREAKDOWN

1. Are machines being insured in proper working condition?

☐

YES

☐

NO

2. Are maintenance being carried out regularly?

☐

YES

☐

NO

If 'Yes', specify whether it is done in-house or externally.

3. Do you maintain a maintenance log register?

☐

YES

☐

NO

If 'Yes', please attach a copy.

4. Is there quality control check for products being produced?

☐

YES

☐

NO

5. Have you suffered a loss in connection with the type of insurance now proposed?

☐

YES

☐

NO

If 'Yes', supply complete details

6. In the event of stoppage of any of the machines proposed for insurance:

a). Can machines which remain in operation carry the load originally borne by the machine which has failed?

☐

YES

☐

NO

b). Are there any alternative means of maintaining production by:

i. The work being done at other premise?

☐

YES

☐

NO

If 'Yes', to what extent?

ii. Hiring temporarily suitable replacement machines?

☐

YES

☐

NO

iii. By any other means?

7. Which machines proposed under this insurance are the machines for which the spare parts would need to be imported?

Description of Property: Plant and Machinery Please give full and exact description of all machines, including name of manufacturer, type, output, capacity, speed, load, weight, voltage, amperage, fuel, pressure,	Total Sum Insured	Year Of Manufacture
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
TOTAL		
<i>Attach a separate list of machines if the above space is inadequate.</i>		

ADDITIONAL INFORMATION REQUIRED.	
1. Do you wish to insure the foundations of the machinery?	<input type="checkbox"/> YES <input type="checkbox"/> NO
If so, please state the relevant items of the specification	
2. Does the specification include all the machinery coverable under a Machinery Policy?	<input type="checkbox"/> YES <input type="checkbox"/> NO
If not, does the machinery to be insured represent all the machinery coverable in one plant section?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3. Do you wish the cover to include extra charges (In case of Loss) for:-	
a) Express freight, overtime, night work, work on public holidays?	<input type="checkbox"/> YES <input type="checkbox"/> NO
b) Air freight?	<input type="checkbox"/> YES <input type="checkbox"/> NO
If yes, the same should match the statement of Limit of indemnity for air freight	

SECTION 5: MACHINERY AND ELECTRONIC EQUIPMENT LOSS OF PROFIT

1. What works of your business are to be insured against Machinery Loss of Profits (names and addresses of the works, their purposes)

2. What company insures these works against

Fire?

Fire Loss of Profits?

3. What company covers the machinery to be insured under a Machinery Breakdown policy?

Date of issue of the Machinery Breakdown

4. Has the machinery to be insured been formerly covered by other companies against Machinery Loss of Profits?

☐

YES

☐

NO

If so, what company?

5. What chartered accountant (name and address) audits the accounting records and at what intervals?

6. When was your firm established?

7. Since when has the works to be insured existed?

8. Since when has the present production method used in the works to be insured been applied?

9. What interruptions due to a machinery Loss have occurred in the works to be insured during the last 5 years?

Number and type(s)

Duration

Due to machinery of item No.

10. Please give a brief description of the production process, making special allowance for production bottlenecks and attaching a flow sheet to show the machinery to be insured.

(Please attach any other sheets if necessary)

<p>11. What type of repair work can be carried out without external help?</p> <p>Please indicate external repair facilities for the individual machines in the list of machinery.</p>										
<p>12. What maintenance work and what inspections are carried out regularly to keep the machines to be insured in good working order?</p>	<p>Type of maintenance and intervals</p>									
<p>13. Number of employees in the works to be insured</p>	<p>Total number</p> <p>Number employed for maintenance purposes</p> <p>Fluctuation (in %)</p>									
<p>14. Normal working hours of the works to be insured</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">per day</td> <td style="width: 33%;">hours in</td> <td style="width: 33%;">shifts</td> </tr> <tr> <td>per week</td> <td colspan="2">hours</td> </tr> <tr> <td>per year</td> <td colspan="2">days</td> </tr> </table>	per day	hours in	shifts	per week	hours		per year	days	
per day	hours in	shifts								
per week	hours									
per year	days									
<p>Can extra shifts be worked to make up production loss?</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>If yes, to what extent:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">per day</td> <td style="width: 33%;">hours in</td> <td style="width: 33%;">shifts</td> </tr> </table>	per day	hours in	shifts						
per day	hours in	shifts								
<p>15. Are there any seasonal production or sales fluctuations of more than 20% in the works to be insured?</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>If Yes, please indicate monthly figures</p>									
<p>16. Is there a stock of semi-finished or finished products?</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>If Yes, what period of interruption can be compensated thereby?</p>									
<p>17. Are supplies furnished against letters of credit?</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>If Yes, please indicate the percentage such supplies have in the turnover</p>									

18. In the case of machinery damage, is the interruption period longer than the repair period for the machinery involved?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
	If so, please indicate the cause and duration of such a delay			
19. Are any of the machines or installations still under manufactures guarantee?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
	If yes, please indicate item and date of expiry.			
20. Are machines being insured in proper working condition?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
21. Are maintenance being carried out regularly?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
	If yes, please specify whether it is done in-house or external.			
22. Do you maintain a maintenance log register?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
	If yes, please attach copy.			
23. Is there quality control check for products being produced?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
24. Is the insurance to cover only the additional expenditure caused by using an external electric power supply in the case of breakdown of machines in your own power generating plant?	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
	If so, please indicate:			

Item numbers of the machines to be insured hereunder.

i. Power requirements of the works (kW, kWh p.a.)

ii. Percentage of power requirement met by the factory generator:

iii. Extent (kW, kWh p.a.) of current that may be drawn from external power sources:

iv. Cost per kWh of external power.

v. Factory generating costs saved per KWH if external power is used.

Please indicate the annual increased cost of electricity under question 24 (item 2).

If maximum demand charges are to be insured:

i. Maximum demand charge per kW of external power.

ii. Method of calculation (Please enclose copy of electricity supply contract)

iii. Please indicate the annual maximum demand charge for external power to be insured under question 24 (item 3)

iv. Percentage of deductible desired for maximum demand charges (minimum deductible 10%).

25. If business interruptions is due to the failure of public supplies (power, water, gas or steam supply) are to be included in the cover, please fill in separate questionnaire.

26. If the risk of deterioration of goods (raw materials, semi-finished or finished goods) due to a business interruption is to be included in the cover, please fill in separate questionnaire.

27. The effect of machinery break-down on the gross profit (factor of relative importance)

Allowance is made for the effect of the breakdown of machinery by means of the so-called factor of relative importance. This factor corresponds to the percentage effect which a complete stand-still of a machine during the entire period of insurance would have on the operating profit and the standing charges.

Ideally, factors of the relative importance should be fixed on the basis of a flow chart which shows, in addition to these factors, the capacities of the machines and any reserve machinery.

Please provide a flow chart of the machines installed: -

28. SUM INSURED

The sum insured on Gross Profits is based on the amount of Turnover less the sum of those working expenses which vary proportionately with the turnover and should be calculated from the accounts of the business for the last financial year.

The following points must be kept in mind:

1. Adjustment must be made to take into account the trend of the business bearing in mind the figure that would apply at the end of the Indemnity Period
2. The sum insured should be reviewed at regular intervals to keep it in line with current and projected levels of earnings

The method of calculating the loss recoverable under the policy is quite simple and is based primarily upon a comparison between the turnover achieved following the damage and that in the corresponding period of the preceding year, provision being made or appropriate adjustments to allow for the current trend of the business.

Note 1.

This cover is not available unless there is a Machinery Breakdown Material Damage policy in force covering the insureds interest in the machinery at the premises for which this proposal is being made.

Note 2.

No claims will be payable under the Loss of Profits policy unless there is in force at the time of the loss of Material Damage Policy covering the Insured interest in the machinery and payment shall have been made or liability admitted under such Insurance.

Note 3

The Machinery under the Machinery Breakdown Materials Damage Policy must be insured on a Replacement value basis.

THIS PAGE IS TO ASSIST IN COMPLETING THE PROPOSAL FORM

Calculation of the Sum Insured

Extract from the accounts of the business for the last financial year

Item 1	Gross Profit	Kshs
	Turnover for the last financial year.	Kshs.
	Add: Closing stock at end of the year	Kshs.
	Sub Total	Kshs.
	Deduct: Opening stock at beginning of year	Kshs.
	Sub Total	Kshs.
	Deduct: Uninsured working expenses which vary directly with turnover	Kshs.
	i) Purchases (less discounts received)	Kshs.
	ii) Discounts allowed	Kshs.
	iii) Wages (if insured under item 2	Kshs.
	iv)	Kshs.
	v)	Kshs.
	vi)	Kshs.
	Total	Kshs.
	Total. (Annual Gross Profit for the last financial year)	Kshs.
	Add Allowance for future trend of business	Kshs.
	Total Sum Insured under Item 1	Kshs.
Item 2	Wages	Kshs
	Total Annual Wages roll for last financial year	Kshs.
	Add: Allowance for future increase	Kshs.
	Total sum insured under Item 2	Kshs.

- Where an Indemnity Period in excess of Twelve months is required the respective sums insured under item 1 and 2 should represent the estimated gross profit and wages for the full period of indemnity.
- The intention of the policy is to pay for loss of Gross profit which would have been earned or wages which would have been paid during the period of interruption following the damage.
- The sum insured should therefore be fixed at a figure higher enough to allow for any possible upward trend of the business.
- An auditor's certificate should be submitted annually to the Company and should this disclose that there has been over-insurance a return of premium will be made to the insured under each item of the insurance up to a maximum return of 50% of the actual premium paid during the relative period of insurance.

- If any damage shall have occurred giving rise to a claim under this policy, such return shall be made in respect to only so much of the said difference as is not due to such damage.
- It is therefore understood and agreed that if a claim is paid under this policy, the amount paid by insurer will be added back to the actual Gross Profit before calculating the return premium.
- The actual gross profit should be declared at the latest nine months after expiry of the policy.

Note 1.

Turnover is the money paid or payable to the proposer for goods sold and delivered and for services rendered in the course of the business at the premises to which the insurance applies.

Note 2.

Specified working expenses are those which are likely to reduce approximately in proportion to turnover whatever the extent of the interruption might be following any damage.

Note that the specified working expenses are uninsured working expenses.

If a separate indemnity period is desired for wages, Please subdivide the sum insured accordingly and indicate the indemnity period desired for the item of wages under question 29.

29. Summary of the insurance covers desired

Item No	Subject Matter to be insured	Sum Insured
1.	Gross Profit	
2.	Increased cost of electricity	
3.	Maximum demand charges	
4.		
5.		

Please attach audited financial accounts for the last three years.

NB. For new business, please attach sales projection and management accounts.

30. What time excess is desired?

{minimum time excess 2 days}

2 Days

4 Days

7 Days

14 Days

Any other:

31. Have you ever suffered a loss in connection with the type of insurance proposed?

☐

YES

☐

NO

If YES, supply complete details.

32. Are you currently or have you ever been insured for the type of cover proposed?

☐

YES

☐

NO

If YES, please give name of insurers and Policy No.

Description of Property:

Total Sum Insured

1. Gross Profit/Revenue

2. Auditors fees

3. Any other (please specify)

TOTAL SUM INSURED

Note: Indemnity period 12 months

Declaration

I/We hereby declare that the statements made by me/us in this Questionnaire and Proposal form are, to the best of my/our knowledge and belief, complete and true, and I/We hereby agree that this Questionnaire and Proposal form, forms the basis and is part of any policy issued in connection with the above risk(s). It is agreed that the Insurers are liable in accordance with the terms of policy only and that the insured will not lodge any other claims of whatever nature.

The insurers undertake to deal with this information in strict confidence.

The liability of the company does not commence until the proposal has been accepted and the first premium paid.

Executed at this

day

of 20

For and on behalf of:

Name:

Signature and Official Stamp

Name and Designation of Contact Person:

Telephone of Contact Person:

AGENT/BROKER NAME / STAMP

SIGNATURE

DATE