THE NEW INDIA ASSURANCE COMPANY LIMITED
Head Office : New India Assurance Bldg.
87, M.G. Road, Fort, Mumbai – 400 001
CIN No: L66000MH1919GOI000526 / IRDAI Regn. No.190

Sales Literature

FIRE LOSS OF PROFIT POLICY / BUSINESS INTERRUPTION

UIN : IRDAN190CP0084V01201819

Loss of Profit [LOP]/ Consequential Loss Insurance [Business Interruption (BI)]

Business interruption insurance is designed to protect your company's profits and ensure operational continuity following a covered event, such as a fire, natural disaster, or equipment damage.

If your insured property is lost or damaged, this coverage compensates for lost revenue and covers ongoing operating expenses. Business Interruption insurance protects profit margins until the business is back on its feet and back at its profit level before the interruption.

Sum Insured

- Gross Profit (i.e. Net profit + Standing Charges)
- Indemnity Period

Coverage

When operations are interrupted, LOP compensates for the following financial impacts:

- **Loss of Net Profit:** Reimburses the profits your business would have earned during the downtime, calculated using past financial records
- **Standing Charges:** Ongoing fixed expenses that continue regardless of production halts, such as rent, loan interest, taxes and employee salaries.
- **Increased Cost of Working:** Covers additional, reasonable, necessary costs required to keep the business running from a temporary location (e.g., temporary office setup, moving expenses).

Trigger: It typically activates only if the interruption results from *direct physical loss or damage* to your property caused by a covered peril (e.g., a fire or natural disaster under Fire Insurance Policy).

Period of Restoration: Coverage generally pays out from the date of the disaster until your property is rebuilt and operations resume.

Exclusions :

- **Non-Physical Damage:** Shutdowns due to economic downturns, supply chain issues without physical destruction, or lack of customers
- **Excluded Perils:** Standard policies exclude major events like **floods** and **earthquakes**.
- **Pandemics & Diseases:** Viruses, bacteria, communicable diseases, and government shutdowns tied to pandemics are universally excluded

- **War & Terrorism:** Damage or forced closures resulting from war, military action, or terrorism are excluded.
- **Normal Wear & Tear:** Closures caused by gradual deterioration, lack of maintenance, or equipment breakdown require separate coverage.
- **Fraud or Negligence:** Losses resulting from deliberate illegal acts, fraud, or gross negligence by the business owner are not covered.

Making a Claim

- **Notify Immediately** Give notice immediately along with details of the event and loss,
- **Material Damage Link:** BI coverage typically requires a linked, admissible physical damage/property claim (e.g., under your Standard Fire Policy).
- **Supporting documentation :**
  Incident Reports: Fire brigade reports, police FIR, or meteorological data.
  Financials: Pre-loss P&L statements, sales records, and tax returns to establish your standard revenue.
  Expense Records: Invoices for temporary premises, overtime wages, or expedited shipping to mitigate losses.

Other details

- Helpline / Toll free: 1800-209-1415 or on company
- website www.newindia.co.in
- Bima Bharosa https://bimabharosa.irdai.gov.in/
- Ombudsman - Website Link : https://www.cioins.co.in/
- You can send Your grievance in writing by post or email
- The New India Assurance Co. Ltd.,
  Head Office, 87 M.G.Road, Fort,
  Mumbai - 400 001,
  e-mail : customer.relation@newindia.co.in