

Loss of Profits (Retail)

Damage to your building or contents may cause you to have a reduced turnover or additional expenses which could result in significant losses to your business.

Loss of profits gives you cover if your profit drops or your cost of doing business increases as a direct result of a claim that we have agreed to pay caused by any of the following:

Fire

Lightning

Explosion

Water

Wind

Storm

Hail

Snow

Earthquake

Impact to your building

Theft of the contents of your building

Accidental or malicious damage

that damages your building or contents of your building at the premises noted on your declaration and because of the damage, your profit (calculated using the same declaration that you completed with allowance for trending over the 12 months immediately before the damage happened) is less than it would otherwise have been for not more than 9 months after the date of the damage then we will pay you the difference between your achieved profit and the profit that you can prove you would have achieved if the damage had not happened.

We will also pay for additional increased costs that you have incurred up to R100 000 that has assisted in limiting the loss of profits because it has helped you to maintain the normal operation of your business.

We will deduct any savings of your normal expenses caused by your business not operating fully because of the damage.

Optional cover to choose from

Below is optional cover that you may choose on your declaration to take. **You will be charged an extra premium for this cover.**

Extension to the premises of customers or suppliers named on your declaration

If there is damage caused by a fire, lightning, explosion, water, wind, storm, hail, snow, earthquake or impact to the building at the premises of the customers or suppliers situated in the Republic of South Africa and stated on your declaration and because of the damage, your profit (calculated using the same declaration that you completed when you applied for cover with allowance for trending over the 12 months immediately before the damage happened) is less than it would otherwise have been for not more than 9 months after the date of the damage then we will pay you the difference between your achieved profit and the profit that you can prove you would have achieved if the damage had not happened.

We will also pay for additional increased costs that you have incurred up to R100 000 that has assisted in limiting the loss of profits because it has helped you to maintain the normal operation of your business.

We will deduct any savings of your standing charges caused by your business not operating fully because of the damage. We will not pay more than 10% of your profit as calculated on your declaration at the last renewal of your policy, or at the start of your policy if your policy started less than 12 months ago, if the damage is at the premises of your customer or supplier.

We will not pay a claim

1. if you elect to permanently discontinue your business after the damage that caused the loss of profit that you are claiming for.
2. if the damage happened anywhere other than on your premises noted in your declaration unless you have chosen to take **Extension to the premises of customers or suppliers named on your declaration.**

3. We will not pay more than R500 000 per event for any claim as a result of the theft of the contents of your building or accidental or malicious damage to your building or the contents of your building.

We also cover you for the following benefits at no extra cost **Maximum amount payable in any 12 month period**

We will pay up to the amount stated for:	
Fines or penalties for breach of contract that you become legally liable to pay because you did not complete orders or you completed orders late, as a direct result of the damage for which we are paying a claim.	R250 000
If employees and customers, because of damage in the surrounding area, but not more than 10kms away from your premises, cannot access your premises noted on your declaration then we will pay for loss of profit as if there had been damage to your premises.	R250 000
Loss of profit because public telecommunications are cut off for more than 24 hours for any reason other than the supplier deliberately withholding service or you not paying your account or any other deliberate act or omission on your part.	R100 000
Loss of profit because the water, gas or electricity to your building is cut off for more than 24 hours for any reason other than a deliberate act or omission on your part, or the supplier deliberately withholding the service, or you not paying your account.	R100 000
The cost of your auditor preparing your claim.	R10 000

Provisions of this section

Indemnity period

The indemnity period begins on the day that the damage happened and ends 9 months after the day that the damage happened or once your business is fully operational again and the profit (calculated using the same declaration that you completed) is the same as the profit you would have achieved if the damage had not happened, whichever is the sooner.

Other premises

If you sell goods or provide services from any premises other than those noted on your declaration then you must add the amount generated from the sales or services to your turnover stated on your declaration.

Accountants clause

We will accept information required to prove your claim to be correct if it is certified as such by your auditors or professional accountants not in the permanent employ of you or any company belonging to you.

Accumulated stocks clause

When we adjust your claim we will take into account and make allowance for any accumulated stocks that delay or mitigate a drop in the declared profit.

Average clause

If the profit that you stated on your declaration at the start of your policy, or at the last renewal if your policy started more than a year ago is less than the profit that you advise at the date of a claim, then we will only pay your claim proportionately.

For example if the total profit is R2 000 000 and you stated on your declaration that the total profit is only R1 000 000, we will only pay 50% of your claim because you will only have paid us 50% of the premium that we would have charged for R2 000 000 of cover.

This clause does not apply to a claim for loss of your profits following theft, accidental damage or malicious damage.