

## ANNEXURE 8(B) SPECIFICATION

REFERRED TO IN THE ATTACHED

### SASRIA ADVANCE CONSEQUENTIAL LOSS POLICY

Insured Standing Charges Only - (as stated in the Schedule)

The Insurance hereby is limited to loss in respect of INSURED STANDING CHARGE due to (a) REDUCTION IN ANTICIPATED TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:

- a) IN RESPECT OF REDUCTION IN ANTICIPATED TURNOVER The sum produced by applying the RATE PAYABLE to the amount by which the TURNOVER during the INDEMNITY PERIOD shall, in consequence of the Damage fall short of the STANDARD TURNOVER.
- b) IN RESPECT OF INCREASE IN COST OF WORKING - The additional expenditure (subject to the provisions of the Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in TURNOVER which but for that expenditure would have taken place during the INDEMNITY PERIOD in consequence of the Damage, but not exceeding the sum produced by applying the RATE PAYABLE to the amount of the reduction thereby avoided;

less any sum saved during the INDEMNITY PERIOD in respect of such of the INSURED STANDING CHARGES as may cease or be reduced in consequence of the Damage.

Provided that if the SUM INSURED by this hem be less than the sum produced by applying the RATE PAYABLE to the ANTICIPATED TURNOVER (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

### DEFINITIONS

**“Insured Standing Charges”** - The amount of the INSURED STANDING CHARGES, or if the business is showing a net trading loss, the amount of the said INSURED STANDING CHARGES less such a proportion of any net trading loss as the amount of the INSURED STANDING CHARGES bears to all the STANDING CHARGES of the business.

For the Specified Insured Standing Charges - see page 2 of the Schedule.

**“Net Profit”** - The net profit (exclusive of all capital receipts and accretions, and all outlay properly chargeable to capital) resulting from the business of the Insured at the premises after due provision has been made for all STANDING and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

**“Turnover”** - The money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of business at the premises.

**“Indemnity Period”** - The period beginning with the date upon which but for the Damage the business would have commenced at the Premises and ending no later than the Maximum Indemnity Period reflected on the Schedule thereafter during which the results of the business shall be affected in consequence of the Damage.



**“Rate Payable”** - The percentage that the INSURED STANDING CHARGES bears to the ANTICIPATED TURNOVER which but for the Damage would have been earned during the INDEMNITY PERIOD.

**“Anticipated Turnover”** – The TURNOVER which but for the Damage would have resulted during the maximum indemnity period immediately following the date on which the TURNOVER would have commenced to be earned

**“Standard Turnover”** – The TURNOVER which but for the Damage would have been earned during the Indemnity Period

based upon the estimated income of the business to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after the Damage or which would have affected the business either before or after the Damage or which would have affected the business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable, the results which but for the Damage would have been obtained during the relative period after the Damage.

#### **ALTERNATIVE TRADING CLAUSE**

If during the INDEMNITY PERIOD goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the ANTICIPATED TURNOVER during the INDEMNITY PERIOD.

#### **UNINSURED STANDING CHARGES CLAUSE**

In computing the amount recoverable hereunder as increase in cost of working, that proportion only of the additional expenditure shall be brought into account which the amount of the insured standing charges bears to the sum of the net profit and all the standing charges.

#### **CLAIMS COST CLAUSE**

This insurance includes costs and expenses incurred in producing and certifying any particulars or details required by the Company during the formulation of a claim under the Policy, limited to:

- (a) additional fees paid to the Insured’s usual auditors;
- (b) additional wages or salaries paid to the Insured’s own employees
- (c) cost of materials used.

#### **DEPARTMENTAL CLAUSE**

If the business be conducted in departments the independent trading results of which are ascertainable, the provisions of clauses (a) and (b) of the item(s) on Insured Standing Charges only shall apply separately to each department affected by the Damage except that if the Sum Insured by the said item(s) be less than the aggregate of the sums produced by applying the rate payable for each department of the business (whether affected by the Damage or not) to its relative Anticipated Turnover the amount payable shall be proportionately reduced.



## **REBATE CLAUSE (Applicable only if the Sum Insured Exceeds R1 000 000)**

The premium paid hereon may be adjusted on receipt by the Nominated Insurer of a declaration of Insured Standing Charges paid during the financial year most nearly concurrent with the Period of Insurance, as certified by the Insured's auditors.

If any damage shall have occurred giving rise to a claim for loss of Standing Charges, the abovementioned declaration shall be increased by the Nominated Insurer for the purpose of premium adjustment by the amount by which the Insured Standing Charges were reduced during the financial year solely in consequence of the Damage.

If the declaration (adjusted as provided for above and proportionately increased where the Maximum Indemnity Period exceeds 12 months) is less than the Sum Insured on Standing Charges for the relative Period of Insurance the Company will allow a return of premium not exceeding 50% of the premium paid, by recalculating the premium in accordance with such declaration.

This Clause will have no effect unless a certified declaration is received by the Nominated Insurer within six months of the expiry of the Period of Insurance.