



# Proposal Form

## Fire Consequential Loss Insurance

If property which is occupied or used for production, distribution or service is destroyed or damaged by fire (or other perils), the resultant interruption to the business may cause a disastrous trading loss which an ordinary Fire policy does not cover.

The Loss of Profits policy is designed to provide indemnity against such trading losses by paying -

CONTINUING OVERHEAD EXPENSES which have to be met out of reduced earnings;

ADDITIONAL WORKING COSTS reasonably incurred in order to overcome or minimise the effects of the damage upon the business;

NET PROFIT lost due to a reduction in the volume of trading;

WAGES of employees not gainfully employed during the period of interruption, and wages in lieu of notice and redundancy payments to employees whose services are no longer required.

The method of computing the loss 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 for appropriate adjustments to allow for the current trend of the business.

THE PREMIUM PAYABLE is based upon the rate charged for the Fire Insurance on the contents of the premises and is dependent upon the Indemnity Period selected.

THE INDEMNITY PERIOD is the maximum period following the damage in respect of which compensation will be payable and in estimating the period required the Proposer should take into account the length of time likely to elapse before the damage could be reinstated and the earnings of the business restored to their normal level.

THE SUM INSURED should be based on the amount of the Turnover less the sum of those working expenses of the business which would vary proportionately with the Turnover, and should be calculated from the accounts of the business as shown on page 2. To ensure full protection, it is essential that the sum insured should be adjusted to allow for the current trend of the business and consideration should be given to the figure which would apply at the end of the indemnity period which may be two years or more hence. If at the end of each financial year it is found that the sum insured has been overestimated, an appropriate return of up to 50% of the annual premium paid will be allowed, upon production of a statement of Gross Profit by Professional Accountants.

This page is to assist in completing the proposal form and may be detached and retained by the Proposer.

**ITEM 1 GROSS PROFIT**

EXTRACTS FROM THE ACCOUNTS OF THE BUSINESS FOR THE LAST FINANCIAL YEAR

The sum of

(a) Turnover (less discounts allowed) \_\_\_\_\_

and (b) Closing Stock \_\_\_\_\_

From which deduct the sum of

(a) Opening Stock \_\_\_\_\_

(b) The following Specified Working Expenses  
(i.e. those which vary directly with Turnover)

(i) Purchases (less discounts received)

(ii) Wages (if insured by Item 2 - see note below)

(iii) \_\_\_\_\_

(iv) \_\_\_\_\_

Annual Gross Profit \_\_\_\_\_

Adjust for current trend of business (see page 1) \_\_\_\_\_

Maximum Indemnity Period required \_\_\_\_\_ months (see page 1)  
If exceeding 12 months, increase sum insured proportionately

Sum to be Insured on Gross Profit \_\_\_\_\_

**ITEM 2 WAGES**

If it is considered that the services of some employees could temporarily be dispensed with, a limited form of Wages insurance can be arranged by a separate item, using the Dual Basis method. Such an item is available only in conjunction with an insurance on Gross Profit with an indemnity period of not less than 12 months, and it will then be necessary to exclude Wages from the Gross Profit item.

The Dual Basis Wages item is designed to cover all Wages for an initial period and then a percentage of the Wage roll for the remainder of the indemnity period. The item has a built-in flexibility which enables the cover to be adjusted to best suit the situation prevailing after a fire. For example, if the insurance selected is 100% of Wages for the first 8 weeks and 33<sup>1</sup>/<sub>3</sub>% of wages for the remaining 44 weeks, the cover can be consolidated to provide full insurance for 17 weeks if this should prove more advantageous in meeting the loss sustained.

The Sum Insured should be based on the total annual remuneration (including National Insurance Contributions, (if applicable), Holiday Pay, Bonuses and other payments pertaining to wages) of all Employees other than those normally treated as "Salaried" - e.g. those engaged on executive, managerial or administrative duties.

COVERED PERIOD REQUIRED

100% for \_\_\_\_\_ weeks (minimum 4 weeks)

\_\_\_\_\_ % for remainder of Indemnity Period (minimum 10%)

Annual Wage Roll \_\_\_\_\_

Adjust for current trend of business (see page 1) \_\_\_\_\_

If Indemnity Period exceeds 12 months, increase sum insured proportionately \_\_\_\_\_

Sum to be Insured on Wages \_\_\_\_\_

**ITEM 3 PROFESSIONAL ACCOUNTANTS CHARGES**

Professional Accountants Charges for producing and reporting on any particulars or details required by the Company in connection with a claim \_\_\_\_\_

# Proposal Form

## Fire Consequential Loss Insurance

Date:

ALL QUESTIONS MUST BE FULLY ANSWERED - TICKS OR DASHES WILL NOT SUFFICE

### PARTICULARS OF PROPOSER

Salutation: <input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Ms <input type="checkbox"/> Madam <input type="checkbox"/> Dr <input type="checkbox"/> Others If others, please specify: _____		Gender*: <input type="checkbox"/> Male <input type="checkbox"/> Female
Name as in new NRIC/Passport/Company Registered Name (in Block Letters)*:		
Correspondence Address (in Block Letters)*:		
Postcode*:	New I/C No./Passport No./Polis/Army No./Business Registration No.*:	
Marital Status*: <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Other		Ethnic Group: <input type="checkbox"/> Malay <input type="checkbox"/> Chinese <input type="checkbox"/> Indian <input type="checkbox"/> Others
Tel. No. (H/P)*:	Tel. No. (Office):	Tel. No. (Home):
Email*:		Nationality*:
Age: _____ years old		Date of Birth*: dd/mm/yy
Business or Profession/Occupation:		
Your Position: <input type="checkbox"/> Director/Owner <input type="checkbox"/> Profession/Technical <input type="checkbox"/> Managerial <input type="checkbox"/> Admin/Clerical <input type="checkbox"/> Others		
Do you hold: <input type="checkbox"/> a Degree or Diploma <input type="checkbox"/> a Professional Qualification		
Period of Insurance: From dd/mm/yy To dd/mm/yy		
Private Use: <input type="checkbox"/> Yes <input type="checkbox"/> No	Collective Agreement/SOCSO/Workmen Compensation Agreement: <input type="checkbox"/> Yes <input type="checkbox"/> No	
<u>If Proposer is a Company</u>		
Total Workforce:		
Turnover/(Year): RM / ( year )		<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Company
Contact Person & Designation:		

\*Required fields

COVER REQUIRED (as calculated on page 2)	Sum to be insured
<p>ITEM 1 ON GROSS PROFIT</p> <p>The specified working expenses to be excluded are _____</p> <p>(i) Purchases (less discounts received) _____</p> <p>(ii) Wages _____</p> <p>(iii) _____</p> <p>(iv) _____</p>	
<p>ITEM 2 ON ALL WAGES</p> <p>100% for _____ weeks and _____ % for the remainder of the Indemnity Period</p>	
<p>ITEM 3 ON PROFESSIONAL ACCOUNTANTS' CHARGES _____</p> <p>TOTAL SUM INSURED _____</p>	<input type="text"/>
MAXIMUM INDEMNITY PERIOD _____ months	

**PLEASE ANSWER THE FOLLOWING QUESTIONS (Tick the answers where appropriate)**

1. Do you require cover in respect of additional perils? If 'Yes', please state your requirements.  Yes  No  
N.B It is essential that your Fire policy should also be extended to include the same additional perils.

2. Are you now or have you previously been insured against Loss of Profits/Consequential Loss? If "Yes", give details.  Yes  No

3. Have you whilst trading in the above or any other name ever had a Fire or suffered damage by any of the additional perils to be covered?  
If "Yes", give details.  Yes  No

4. Has any Insurance Company or Underwriter ever refused, cancelled, declined to renew or imposed special terms on any insurance of this or any other class proposed or effected by you, whilst trading in the above or any other name? If "Yes", give details.  Yes  No

5. Please state  
(i) the Company or Underwriter with whom you are insured against Fire  
  
(ii) the name and address of your Professional Accountants  
  
(iii) When does your financial year end?

**DECLARATION BY PROPOSER**

I/We hereby declare that the above answers and statements are true, and that I/we have withheld no information whatever regarding this application.

I/We understand that it is my/our duty to take reasonable care not to make a misrepresentation in answering the questions in this Proposal Form and I/we hereby declare that I/we have fully and accurately answered the questions above.

Signature of Proposer:

Date: dd/mm/yy

**IMPORTANT NOTES**

1. Pursuant to Paragraph 4(1) of Schedule 9 of the Financial Services Act 2013, if You are applying for this Insurance for a purpose related to Your trade, business or profession, You have a duty to disclose any matter that You know to be relevant to Our decision in accepting the risks and determining the rates and terms to be applied and any matter a reasonable person in the circumstances could be expected to know to be relevant, otherwise it may result in avoidance of Your contract of insurance, refusal or reduction of Your claim(s), change of terms or termination of Your contract of insurance. The above duty of disclosure shall continue until the time Your contract of insurance is entered into, varied or renewed with Us. You also have a duty to tell Us immediately if at any time after Your contract of insurance has been entered into, varied or renewed with Us any of the information given in the Proposal Form (or when You applied for this insurance) is inaccurate or has changed.
2. Your attention is drawn to the 60 days premium warranty attached to the Policy.
3. The personal data submitted by and collected from You may be used by Us and/or any company within the AXA Group of companies and/or any of its associated companies, within or outside Malaysia, for administration or direct marketing purposes and in this connection, We may transfer or disclose that information to any of those other companies. We will cease to use the Personal Data for direct marketing purposes if You request Us to do so. For further details, please refer to Our "Data Privacy Notice" stipulated in Our website.
4. By this warranty, the insurance Policy is automatically cancelled unless the full premium is paid to the insurer within 60 days from the commencement date of cover. Please note that if this insurance is transacted through Your insurance broker, the broker is acting on Your behalf for the purpose of formation of this contract of insurance. It is important that You make full payment of the premium to Your broker as soon as possible and in any case within the 60 days period of the premium warranty so as to enable Your broker to remit the premiums early to Your insurer. You are advised to request Your broker to furnish You with the broker's and insurer's receipt on the premium that You paid.
5. Premium charged for this Policy exclude applicable tax(es) that would be imposed in the future and from time to time, We will be entitled to recover from You any taxes that We are required by law to collect.

**SPECIAL NOTIFICATION**

The Proposer is hereby notified that the Company has appointed Intermediaries/Representatives who have the authority to solicit or negotiate Contracts of Insurance on behalf of the Company. All authorised Intermediaries/Representatives are issued with authorisation cards.

**PREMIUM WARRANTY**

It is a fundamental and absolute Special Condition of this contract of insurance that the premium due must be paid and received by the Underwriters within sixty (60) days from the inception date of this Policy/Endorsement/Renewal Certificate.

If this condition is not complied with then this contract is automatically cancelled and the Underwriters shall be entitled to the pro rata premium for the period they have been on risk.

Where the premium payable pursuant to this warranty is received by an authorised agent of the Underwriters, the payment shall be deemed to be received by the Underwrites for the purposes of this warranty and the onus of proving that the premium payable was received by a person, including an insurance agent, who was not authorised to receive such premium shall lie on the Underwriters.

Subject otherwise to the terms, conditions and exclusions of this policy.

N.B Cover is provided subject to the Company's usual terms and conditions. A specimen copy of the policy wording is available on request.  
No cover is in force until this Proposal has been accepted by the company.