

Office/ Agency:	PROPOSAL FOR INSURANCE AGAINST LOSS OF PROFITS BY FIRE	Cover Note No:
		Policy No:

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 this Proposal Form is inaccurate or has changed.

1. Proposer's Name in Full (Block Letters):
2. New I/C No. or Co's Registration No.:
3. Address (Block Letters):
4. Telephone/ Fax No.:
5. Situation of Premises to which the insurance is to apply:
6. Nature of Business carried on therein:
7. Period of Insurance required: From: _____ To: _____

8. Indemnity Period required: consecutive months following the date of the damage

9. Items to be Insured	Sum Insured	For Office Use
Item 1: On Gross Profit (See Note 1 overleaf)	RM	
The Working Expenses to be excluded are:		
(i) Purchase (less discounts received)		
(ii) Wages (if insured under Item 2)		
(iii)		
Item 2: On All Wages (See Note 2 overleaf)	RM	
100% of the first weeks and% the total wages roll for the remainder of the Indemnity Period		
Item 3: On Auditor's Fees (See Note 3 overleaf)	RM	
Total Sum Insured	RM	

10. How long have you carried on business in these premises or elsewhere?	These premises: years Elsewhere at: years
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11. Give full particulars of all losses sustained by you at this or any address in respect of any perils to which this proposal applies.	
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12. Please indicate any Extensions required (see note 4 overleaf)	
(a) Extraneous Perils	(a)
(b) Perils not occupied by Proposer (full particulars required)	(b)

13. Has any Company or Insurer in respect of any of the perils to which this proposal relates:	
(a) Declined to insure you?	(a)
(b) Required special terms to insure you?	(b)
(c) Cancelled or refuse to renew your insurance?	(c)
If so, give full particulars.	

14. Do you keep Stock Books and Sales Book, and will these be posted promptly?	
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15. Are your books regularly audited? Give the name and address of the Auditor.	
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16. Do you carry on business at any other premises? If so, give details.	
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17. Do you carry on business at any other premises? If so, give details.	
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18. Please state:	
(a) The total amount of the Annual Fire Insurance with all Companies and Insurers on the Contents of the Premises to which the insurance is to apply	(a)
(b) Total Annual Premium paid in respect of such insurances	(b)
(c) Name of Company or Insurer having the largest share of such insurances	(c)

DECLARATION: I/We to the best of my/our knowledge hereby confirm that the statements contained in this proposal form are true and correct and I/we have not concealed, misrepresented, or misstated any material fact. I/We agree that the statements and declaration in this proposal form shall be the basis of the contract of insurance with the Company and are deemed to be incorporated in the contract. I/We acknowledge that the key contract terms in the Product Disclosure Sheet have been adequately explained to me/us.

Date: Signature of Proposer:
(and chop if Proposer is in the name of a Company)

An Ordinary Fire Policy covers damage to a Building and its Contents. It does not compensate for the Loss of Trade.
A Loss of Profits Policy covers: -
(a) Loss of Net Profit due to the partial or total stoppage of the business in consequence of FIRE, LIGHTNING or EXPLOSION "in a building in which gas is not generated and which does not form part of any gasworks" of GAS used therein for illuminating or domestic purposes.
(b) Payment of Overheads such as Rent, Rates and Taxes, Interest, on Debentures, Mortgages and Loans; Insurance Premiums: Advertising; Salaries and Wages of Employees; Travelling Expenses and like charges which will continue to be payable during interruption of business.
The rate of premium varies with the Indemnity Period that is with the period after any fire during which compensation is desired, e.g. twelve, eighteen or twenty-four months.

Notes Relating to the Proposal

- If the Indemnity Period is to be:
Twelve months, then the sum insured under Item 1 must represent the estimated annual Gross Profit and the sum insured under Item 2 (if required) must represent 100% of the estimated annual wages.
Greater than twelve months, then the sum insured must be increased proportionately.
Less than twelve months, then the sum insured under Item 1 must nevertheless represent the estimated Gross Profit for a whole year.
- Gross Profit** – as indicated in the Pro Forma overleaf the Sum Insured on Gross should be calculated from the latest available annual accounts of the business as follows:
Annual Turnover (not of discounts allowed) plus Closing Stock
less
Opening Stock, Purchases and other Working Expenses which vary with Turnover
(as specified for Item 1 of the Proposal) due allowance being made for any anticipated increase in business
 - Wages:** if it is not desired to insure Wages in full throughout the Indemnity Period selected, the amount of the Wages can be deducted in arriving at the Sum Insured of Gross Profit and the Wages can then be separately insured by Item 2 under which 100% wages cover is provided for a short initial period (of not less than four weeks) following a fire and a smaller percentage for the remainder of the Indemnity Period selected for Item 1 on Gross Profit. This form of Wages cover is not conceded in conjunction with insurance for Gross Profit for indemnity period of less than twelve months, under which it is recommended that wages be included in full in the Gross Profit item.
 - Auditors' Fees** – The insurance of Auditors' Fees is to provide for fees payable to our Auditors for extracting and certifying information required in connection with a claim
 - Extensions of Cover** –
(i) Where the ordinary form of Fire cover effected by the Proposer has been extended to include forms of Explosions (other than as specified in (a) above) or other extraneous perils, the Loss of Profits policy can be correspondingly extended subject to the appropriate additional premium and it is generally desirable to arrange for the scope of the perils under the Loss of Profits policy to coincide with those covered under the Fire policy.
(ii) The Loss of Profits policy would normally apply to all premises used by the Insured and specified in the Proposal but extensions can be considered to provide interruption of the Proposer's business through damage by fire (and such extraneous perils for which the basis Loss of Profits policy is extended) at other premises such as:
(a) Public Power Stations from which the Proposer obtains supplies
(b) Premises of suppliers of raw materials, components, and other goods if the continuity of the Proposer's business is dependent upon such supplies which could not be readily obtained from alternative sources.

PRO FORMA FOR CALCULATION OF THE SUM INSURED

This Pro Forma is for the use of the Proposer and is intended to assist him/ her in formulating the sum to be insured.

Item 1	Gross Profits	
	Turnover for the last financial year (net of discounts allowed)	-----
	Add Closing Stock at end of year	-----
	Deduct Opening Stock at beginning of year	-----
	Deduct Specified Working Expenses which vary directly with turnover	-----
	(i) Purchases (less discounts received)	-----
	(ii) Wages* (if insured under Item 2)	-----
	(iii)	-----
	(iv)	-----
	(v)	-----
	* Delete if Wages are to be insured in full for entire Indemnity Period)	-----
	Gross Profit for last financial year	-----
	Add allowance for future increase	-----
	Basic annual figure for Item 1	-----
	Proportionate increase if Indemnity Period exceeds twelve months	-----
	Sum to be Insured under Item 1	-----
Item 2	Wages (Not required if Wages are to be insured in full throughout the Indemnity Period selected)	-----
	Total annual wages roll for last financial year	-----
	Add allowance for future increase	-----
	Basic annual figure for Item 2	-----
	Proportionate increase if Indemnity Period exceeds twelve months	-----
	Sum to be Insured under Item 2	-----

Return of Premium
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 high enough to allow for any possible upward trend of the business. An Auditors' Certificate showing the actual Gross Profit earned and Wages paid should be submitted annually to the Company and should this disclose that there has been over-insurance a return premium will be made to the Insured under each item of the insurance up to a maximum return of one-half of the actual premium paid during the relative period of insurance.