



## MARINE CARGO ADVANCE LOSS OF PROFITS INSURANCE

*Major projects such as construction of industrial plants or facilities can be severely impacted/delayed by physical loss or damage to project cargo while being transported to the project site. Loss of or damage to critical items can result in significant delays in completion of the project and commencement of commercial operations. This will affect the anticipated profit expected to be generated by timely commencement of the operations. A marine cargo policy will only cover physical damage to the insured cargo.*

*Often associated with large projects, these covers arise from the need for an Insured to be able to meet ongoing commitments as a result of damage to goods during the transport which causes delay in the commencement of a project. For example, a consumer goods production factory or a desalination plant.*

*Cover is arranged in conjunction with the underlying marine cargo policy and will apply only if damage to cargo is recoverable under the marine cargo policy.*

*Sum insured for Marine ALOP insurance should reflect the reasonable anticipated profits from the completed project during the indemnity period. Cover terminates on safe arrival of the goods at the project site.*

*Policy may contain warranties relating to risk management including professional surveys (especially for transportation of critical and/or oversized items) to ensure appropriate care is taken to and any damage is immediately discovered.*



## OPTIONAL EXTENSIONS

- › Supplier's extension.
- › Customer's extension.

## MAJOR EXCLUSIONS

- › Delays due to:
  - › *finances and penalties*
  - › *alterations carried out after the occurrence of damage.*
  - › *cancellation of a lease, import license unless resulting from a peril insured.*
  - › *commandeering, requisition or destruction or damage by order of any government or public authority.*
  - › *final positioning at the project site.*
  - › *physical loss or damage to equipment and supplies other than project cargo.*
  - › *restrictions imposed by a public authority.*
  - › *non-availability of funds.*
- › Loss or damage recoverable under marine cargo insurance.

