

This policy is particularly important for large greenfield projects where delay in project completion could have a substantial impact on the expected revenue of the Company, potentially impacting the sponsors' ability to service debt and other fixed expenses.

The policy pays for Anticipated Net Profit plus Standing Charges (Fixed Expenses) during the period of delay, from the scheduled date of commencement of commercial operation up to the actual date of commencement of commercial operation, subject to a time excess and the **Indemnity Period**.

The delay must have occurred due to a loss during construction, and payable under the Construction/Erection All Risks policy.

The policy does not cover delay due to:

- Inventory losses
- Delay in shipment of supplies
- Normal project schedule slippages
- Non -availability of funds for repairs/replacement to damaged items
- Cancellation of license or Govt. restrictions etc.

Some ALOP basics are:

1. The insured person in ALOP is the owner only. A contractor cannot be the insured.
2. Concurrent Material Damage (MD) insurance (EAR / CAR) is a prerequisite
3. Insurance period is identical to MD erection period