

# ARE YOU COVERED IN CASE OF A BUSINESS INTERRUPTION?

Don't let the loss of your facility stop you from keeping you open for business.

If a large loss causes your facility to be temporarily unusable, what would you do next? Ideally, you would move to a temporary location while your permanent place of business is being repaired. Yet, traditional Property Insurance does not cover this move or a loss of income when a business must temporarily close. With Business Interruption Insurance, also referred to as Business Income coverage, this setback can be minimized by making sure you have adequate coverage in place.

## WHAT IS INCLUDED IN A BUSINESS INTERRUPTION INSURANCE POLICY?

A business interruption policy typically covers:

- Compensation for lost income if you have to vacate your premises as a result of disaster-related damage covered under a Property Insurance policy
- Compensation for partial lost income if you are operated at a limited capacity due to a covered loss
- Profits that would have been earned based on previous financial records, had the disaster not occurred
- Operating expenses, such as utilities, that must be paid even though business temporarily ceased
- Expenses of operating in a temporary location while repairs to the permanent location are completed

- Payroll for professionals, officers, executives, department managers and employees under contract, all of which covered as a necessary, expense. Ordinary payroll can be included or excluded depending on your needs
- Optional coverages are available for lost income due to losses outside your facility, such as a loss at a key supplier, a loss at a neighboring facility blocking access to your location, or an offsite utility interruption or power or water

## WHAT SHOULD YOU CONSIDER WHEN CHOOSING BUSINESS INTERRUPTION INSURANCE?

- Policy limits should be sufficient enough to cover a large amount of time to rebuild the permanent business space. Waiting periods can vary significantly between carriers, and some may pay for those days retroactively
- Price of coverage depends on the risk of disaster to the premises. This may depend on the business location, nature of the business and how easily the business could function at an alternate location on a temporary basis
- Whether to insure ordinary payroll, and if so, for what length of time. It is important to consider and revisit this question periodically, because your business needs can change from year to year based on type of operations, plant or office locations and the economy



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## WHAT IS EXTRA EXPENSE INSURANCE?

Extra Expense Insurance is also a viable inclusion to cover the amount needed to avoid having to shut down a business while the permanent location is being repaired. This coverage reimburses for expenses that arise on top of normal business expenses, but are not covered by Business Interruption Insurance. Depending on the disaster, Extra Expense Insurance may be sufficient enough to provide financial relief without having to utilize Business Interruption Insurance.

Insurance experts estimate that Business Interruption Insurance is one of the most, if not the most, valuable coverage available, yet business owners often overlook it. Since Property Insurance only covers the cost of physical loss or damage and contents of a business in the event of a disaster, Business Interruption coverage is necessary in covering the loss of income while the permanent business location is being repaired. In fact, the number one reason a business doesn't reopen after a catastrophic loss is not having enough Business Income coverage to sustain them through a closure. Consult Johnson Financial Group today to learn about all of our business continuity resources.

***For more information, please visit [johnsonins.com](http://johnsonins.com) or call 1.800.236.5546.***