

Documenting a Business Interruption Claim

If a formal Property or Business Interruption claim is filed, it will be adjusted based on the applicable policy wording and specific details driving losses. The following information is a starting point for supporting a claim and should be gathered early on as losses are being sustained.

Develop a detailed narrative outlining the loss:

- A timeline of the key events or dates leading up to and following the loss. The key events should include description of the incident, summary of the events and decisions made, an overview of the impact and changes to operations, and what will be done to minimize and address the loss. Gather all Governmental or other Authoritative Orders impacting operations.

Detail and Track the impact: Document all income specific losses and expenses to mitigate additional losses. Some common information to gather or document include:

- Details of impairments or direct damage at insured facilities.
- Details that outline any Civil Actions or Ingress/Egress issues prohibiting access to insured locations and impairing operations.
- To the best of your ability, details/specifics impairing suppliers/receivers. *It's recognized this can be very difficult (at best) to achieve.*
- Details (including civil actions) that are disrupting transit of materials, inventory, etc.
- Details of open orders, reservations and planned events, including changes to production schedules.
- Track additional outsourcing of production
- Evaluate potential for production/sales "make up"
- If operations are ceased, track the impact on cost. What continues/discontinues?
- Detail Sales/Production trends of operations before, during, and after the indemnity period

Documentation insurers often request:

- Sales forecasts before, during and after the indemnity period
- Industry trends
- Historical sales data
- P&L statements
- Purchase and Payroll statements
- Tax returns and General Ledger
- Leases, rental agreements, and other contracts

Point of contact: Appoint an individual to serve as the primary point of contact regarding the claim. This person should serve as a liaison between the various claims personnel regarding information and documentation.

Every claim will be evaluated fully on its own merits, based on the facts presented, in conjunction with all applicable policy provisions and the law in the applicable jurisdiction. As a result, markets are not inclined to address hypothetical claim scenarios and cannot speculate as to how insurance policies might respond to losses resulting from this virus.