

## ***BUSINESS INCOME COVERAGE OUTLINE***

**BUSINESS INCOME** insurance pays the actual loss of business income sustained by the insured because of a necessary suspension of the insured's operation during the period of restoration following a covered loss. The suspension must result from direct physical loss or damage to real or personal property, which occur at the location listed in the policy. Coverage is provided against the same causes of loss covered under the insured's property policy. The period of restoration is the period beginning on the date of the direct loss and ending when the damaged or destroyed property could have been restored. The business income form provides the following optional coverage's:

### ***OPTIONAL COVERAGES***

Please  
quote

**EXTRA EXPENSES** are expenses over and above those that would have been incurred during normal operation of business. Examples of covered expenses are: expenses incurred to avoid or minimize the suspension of operations, expense to repair or replace property, and expense paid for overtime work to speed up the restoration of the business.

**OFF PREMISES POWER & WATER** extends your Business Income coverage to include coverage for interruptions caused by loss of power or water from off premises, where you may not have sustained damages to your premises, but may sustain loss of income due to lack of power or water.

**CIVIL AUTHORITY** is when access to an insured's premises is denied by civil authority as the direct result of damage or destruction of a neighboring or adjacent property belonging to others. If the damage or destruction results from a cause of loss covered by the insured's policy, this coverage would apply. The insured's premises would be covered for the loss of income during the period of suspension up to a maximum of two weeks.

**ALTERATIONS/NEW BUILDINGS** provides coverage for loss of income resulting from a delay in beginning operations. The delay must be the result of damage to new buildings or structures, either completed or under construction. Damage to additions or alterations to existing building are also covered. The damage must be the result of a covered cause of loss.

**EXTENDED PERIOD OF INDEMNITY** is an option that extends coverage beyond the 30 day period included in the standard policy. The insured can extend the coverage to a maximum of 360 days. The selected time would depend on the time the insured estimates it would take for revenues to return to normal after a suspension of the business.

**AGREED VALUE** is an option that requires the insured to complete a business income report or worksheet showing the actual financial data for the previous twelve months, and estimated financial data for the next twelve months. An agreed value is determined from the financial data submitted. If a loss occurs, the insureds policy limit must be equal to the agreed value amount, if losses are to be paid in full. When this option is in force, the coinsurance clause does not apply.

This is only a summary of insurance coverage's and does not constitute a policy, contract or legal evidence of insurance. For complete policy terms, conditions, limitations and exclusions refer to the policy. I acknowledge these coverages offered.

Initials \_\_\_\_\_

Date \_\_\_\_\_

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