Helping Business Owners Understand Business Interruption Insurance

CORAL SPRINGS, FLORIDA, UNITED STATES, February 17, 2023 /EINPresswire.com/ -- What is business interruption insurance? Do Florida businesses need this type of insurance? How can hiring a public adjuster help businesses with a business interruption claim? According to Lee Anderson, owner of Aftermath Adjusters & Consulting, LLC, these are all very good questions. “Many business owners do not understand business interruption insurance, if they have it, or even if they need it. Aftermath Adjusters highly recommends that business owners look at their policy before they have damages to understand what coverage they have and what additional coverage they may need.”

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> *J. Lee Anderson*

Defining Business Interruption Insurance

“The definition of business interruption insurance is rather straightforward,” states Anderson. “This type of insurance covers income lost when a business owner has to close their doors due to a covered loss. It is an extra layer of insurance, in addition to property insurance.”

Business owners should determine if they have this type of insurance. It may be listed on the policy as business interruption insurance, business income insurance, or extra expenses insurance. According to Anderson, many businesses do have this policy, especially if they have a Business Owner’s Policy (BOP) package. “A BOP is a very comprehensive policy that typically includes liability, property damage and business interruption insurance coverage.”

However, not all businesses have BOP and not all BOPs have adequate business interruption insurance. Anderson highly recommends that business owners examine their policy to determine if they have this coverage and if it is sufficient for their business needs.

Do Businesses Need This Coverage?

“Absolutely,” states Anderson. “Let's say that a business incurs damages during a hurricane. The property insurance will cover the cost of repairing the property. However, it will not pay for lost income. That's where business interruption insurance comes in.”

These policies usually cover three business costs:

- Operating expenses of the business while it is closed. This includes utilities, rent, mortgage, and even employee wages.
- Lost profits during the time the business is closed
- Cost of moving to a temporary location

Other Insurance to Consider

“There are many other insurance endorsements a business owner may want to consider that can help them replace business income,” says Anderson. “The three most common include extended business interruption coverage, service interruption insurance, and contingent business interruption insurance.”

- Extended Business Interruption Coverage: This helps a business recoup losses after opening and while regaining its previous income.
- Service Interruption Insurance: This covers income loss to a business if a utility company (gas, water, sewer, or electric) receives damages that cause the business to have to close. It also covers related substations, plants, and equipment supplier damage if the damage causes utilities to shut down, and thus the business must also close.
- Contingent Business Interruption Insurance (CBI): Covers income lost because of damage to property owned by others, such as direct suppliers or receivers, as long as the property damage would have been covered under the closed business’s own policy.

Getting Help with Business Interruption Claims

When a claim includes business interruption, there are many things that need to be in place to get the payout a business needs. These include:

- The right business records needed to determine the payout
- Determining the date the loss begins. Most coverage starts immediately. However, some losses, such as those due to a civil authority closure, may not start for 72 hours.
- Determining the date the loss ends. This should be when the business is up and running again.

 Completing paperwork and other filing requirements for additional endorsements that help cover lost income.

“Businesses should get the help they need to understand their business insurance, including recommendations on what additional insurance endorsements they may need. Additionally, businesses should seek help when filing a business damage claim to be sure they fully utilize their insurance coverage provisions,” says Anderson.

About Aftermath Adjusters & Consulting
Aftermath Adjusters & Consulting, LLC a public adjuster firm with 50+ combined years of experience who advocate for homeowners when negotiating and appraising an insurance claim. Public Adjusters are licensed and trained insurance claims adjusters who work with claims from the initial inspection, gathering and providing the insurance company the documents needed to fully investigate a claim, preparing a professional estimate, negotiating the claim, and meeting at all on-site inspections. Aftermath Adjusters & Consulting has experience with hurricanes, floods, fires, mold, cast iron pipes, roof leaks, and other natural disasters that can cause significant damage to a home.

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