



## What is Business Interruption Insurance?

**Theoretically**: To do for the insured what the insured would have done for themselves had no loss occurred.

**Practically**: The insured sustains an economic loss whose recovery is governed by the terms and conditions of the contract of insurance.

### **BI Loss is time element insurance coverage**

- Time period impacted by the event
- BI Loss = Lost Revenues *less* Saved Expenses

## Government Aid Overview

3/6/2020	COVID-19 Bill \$8.3 Billion
3/12/2020	SBA gets \$2 Million
3/18/2020	Family First Act \$3.5 Billion
3/24/2020	HHS gives \$100 Million to Health Centers
3/27/2020	Cares Act \$2 Trillion Relief for Families and Small Biz
3/28/2020	Mercy and Comfort receive \$2 M supplies
3/30/2020	FEMA Assigns \$1.08 Billion
4/3/2020	FEMA Assigns \$1.2 Billion
4/9/2020	Federal Reserve loans to support the economy \$2.3 Trillion
4/13/2020	FEMA Assigns \$1.7 Billion
4/13/2020	DLA receives \$84.4 Million for ventilators and supplies
4/23/2020	SBA gets another \$484 Billion for Small



## Potential BI Loss Due to Covid-19





### Phase I: Assessing coverage

- Assemble your loss recovery team including Risk Management, Broker, Finance, Legal, Forensic Accountant, Other Consultants.
- Assess potential loss recovery through insurance, FEMA Grants, CARES Act, PPP, etc.
- Verify systems and procedures are in place to capture the loss related financial impact.
- Identify all operational and financial impacts.
- Ensure documents are gathered and available as needed for Phase 2.
- Prepare overall/high level loss estimate.

## Phase 2: Prepare Claim Submission

- Analyze financial information, identify operational and financial key trends in the business, establish methodologies that most accurately capture the time element loss.
- Prepare claim submission with detailed calculations and all supporting documentation for submission to the insurer.



### Phase 3: Insurer audit

- Insurance company review and audit of claim submission.
- Continued information and document exchange.

### Phase 4: Legal Insurance Recovery

- Litigation or ADR to recovery loss.