

Business Interruption Insurance Self Assessment Tool

Submitting a robust and well presented claim will help your insurer process your claim efficiently and minimise delays in receiving payment. This self assessment tool is designed to help guide you through the claim preparation process.

This tool is for information purposes only and no liability is accepted. The approach to your claim will depend on your policy and circumstances. Professional advice should be sought if you have any concerns.

1. I have suffered a financial loss as a result of the earthquake	NO	Contact us to discuss any other earthquake-related needs you may require assistance with.
YES		
2. I have business interruption insurance	NO / UNSURE	Contact us to discuss other options that may be available to you. Refer to your insurance policy, or contact your broker or insurer. Alternately, contact us to discuss your insurance policy.
YES		
3. I know what my indemnity period is and the amount of my cover Indemnity period The indemnity period is the period of insurance protection. It normally commences from the date of the event or damage and normally ends when your business is fully operational again or when the specified indemnity period has expired, whichever occurs first. The indemnity period should be defined in your policy. Cover or sum insured It is important to know your maximum amount of insurance cover. This will help you with evaluating options for recovery. This figure is normally set out in your policy documents.	NO / UNSURE	Refer to your insurance policy, or contact your broker or insurer. Alternately, contact us to help you understand your indemnity period and the amount of cover.
YES		
4. I have a copy of my business interruption insurance policy	NO	Contact your broker or insurer for a copy of your policy.
YES		
5. My financial loss is covered by my business interruption insurance policy Business interruption insurance will normally only cover losses caused by: <ul style="list-style-type: none">• Damage to the insured business premises• Prevention of access to insured business premises• Supply of goods, services or utilities being interrupted Importantly, business interruption insurance does not normally cover the financial loss arising from a general decline in demand post the earthquake.	NO / UNSURE	Contact us to discuss other compensation options that may be available to you. Refer to your insurance policy, or contact your broker or insurer. Alternately, contact us to help you understand what you are covered for under your policy.

The intention of business interruption insurance is to put you back into the same financial position you would have been had the damage not occurred. The approach to calculate your claim will depend on your business interruption insurance policy, your business and the records available. Normally, business interruption insurance covers:

- Loss of gross profit / rent
- Additional expenses incurred (e.g. hire of portable building for temporary premises)
- Reasonable claim preparation costs (e.g. accountant's costs)

An example business interruption claim calculation is shown below:

	Amount
Expected Sales (i.e. if the premises had not suffered damage)	100,000
Less: Actual Sales	(20,000)
Reduction in Sales	80,000
Less: Cost of Sales – 30%	(24,000)
Lost Gross Profit	56,000
Plus: Additional Expenses (e.g. rental of temporary premises)	10,000
Less: Cost Savings (e.g. rent on damaged premises)	(20,000)
Plus: Claim preparation costs (e.g. accountant or other professional services costs)	5,000
Total Claim	51,000

YES

6. I have contacted my insurer to advise of my claim and to receive guidance on the next steps

NO

You should notify your insurer of a potential claim as soon as possible and to discuss the management of your claim.

YES

7. I have access to my business' past and current financial information

NO / UNSURE

Your insurer may request financial information to develop an understanding of your business and how the earthquake affected your business in order to assess your claim.

Information

Below is a standard list of information you may need in order to calculate your claim (this should cover the period before, during and after the loss):

- Monthly Profit & Loss Statement
- Annual Financial Statements
- Budgets and Forecasts
- Bank Statements
- Payroll Records
- Tax Returns
- PAYE & GST Records
- Transaction listings and invoices

To further develop the insurer's understanding of how the earthquake affected your business; an insurer may also request a timeline of key events documenting the following phases:

- The date of loss or damage
- The period the business was partially operational
- The date the business was back to normal
- Other key events

YES

Contact us to discuss alternative ways of securing your information.

CONTINUES 

8. I know how to prepare my claim calculation information

Business interruption insurance will normally only cover losses caused by:

- Damage to the insured business premises
- Prevention of access to insured business premises
- Supply of goods, services or utilities being interrupted

Importantly, business interruption insurance does not normally cover the financial loss arising from a general decline in demand post the earthquake.

The intention of business interruption insurance is to put you back into the same financial position you would have been had the damage not occurred. The approach to calculate your claim will depend on your business interruption insurance policy, your business and the records available. Normally, business interruption insurance covers:

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YES

NO /
UNSURE

Refer to your policy and/or **contact us** to discuss best practices for calculating claims.

9. I have included all the supporting documentation used in preparing my claim and loss calculation

The insurer processing your claim is likely to have limited knowledge of your business; therefore, it is important that you provide your insurer with the relevant background and financial information. We recommend you should provide your insurer with the following:

- a) A brief covering letter setting out:
 - An overview of your business including the location(s) of your business
 - Details of the damaged premises, details of prevention of access to the premises or details of interrupted supplies/utilities (refer to point 5)
 - Current operations (e.g. have you obtained new premises, are you operating from temporary premises or are you seeking new premises)
 - Impact on trading (i.e. did your business completely shut down or did you partially trade?)
 - A timeline of key events (refer to point 7)
- b) The calculation for calculating your claim
 - The assumptions made in calculating your claim
- c) Supporting documentation for your claim calculation (refer to point 7)

YES

NO /
UNSURE

Ensuring your claim is well supported and presented will enable your insurer to process your claim efficiently. Contact your broker or insurer or contact us to discuss how to best prepare your claim and supporting documentation.

10. I have subjected my loss calculation to independent review

NO /
UNSURE

Ensuring your claim is robust, well presented and adequately supported (refer to points 7 & 9) will enable your insurer to process your claim efficiently, resulting in timely payment of your claim. This will also ensure you receive the right amount.

Contacts

If you require any assistance with the issues covered in this business interruption insurance toolkit please **contact us**.



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