

Industry: 

Manufacturing

Business Income

Gross Revenue		\$295,000,000
Research & Development Income	+	\$0
Non-Continuing Expenses	-	\$0
Cost of Materials	-	\$160,000,000
12-Month Business Income Amount, Including Ordinary Payroll Option of Your Choice		\$135,000,000

Duration of Loss

Number of Months You Estimate Are Required to Return to Your Previous Level of Business	24
Value of Duration of Loss	\$270,000,000

Extra Expenses

First Month	\$4,565,000
Final Month	\$6,990,000
Each Intervening Month	\$1,630,000
Number of Anticipated Intervening Months	22
Your Total Extra Expense Amount	\$47,415,000

Final Analysis

Business Income Value of Duration	\$270,000,000
Potential Reduction in Duration of Loss, If Extra Expense Amount Is Paid	40%
Business Income Amount	\$162,000,000
Extra Expense Amount	\$47,415,000

Final Business Income & Extra Expense Amount \$209,415,000

Your Name: Jane Q. Public

Company Name: ABC Company

Date: 06/07/2018

This information is advisory in nature. It is offered as a resource to help you establish adequate business income and extra expense values for insurance purposes. This guide is necessarily general in content and is intended as a tool that you can use together with others at your disposal to establish the values you wish to insure. Because the steps outlined in this resource rely on information provided by the insurance purchaser, no representation is made with respect to the accuracy, adequacy or suitability of the values established. No liability is assumed by reason of this information, the values determined using it or the insurance buying decisions made as a result. In determining the values you wish to insure, you should consult with your insurance representatives.

Extra Expenses	First Month	Final Month	Each Intervening Month
Extra Rent and Facility Expenses	\$2,125,000	\$1,600,000	\$1,500,000
Temporary Location (incl. Rent, Utilities, Maintenance, Insurance)	\$1,500,000	\$1,500,000	\$1,500,000
Temporary Fixtures, Machinery & Equipment	\$500,000	\$0	\$0
Engineering & Administrative Costs	\$25,000	\$0	\$0
Improvements at Temporary Location	\$0	\$0	\$0
Moving & Hauling	\$100,000	\$100,000	\$0
Installation of Operations at Temporary Location	\$0	\$0	\$0
Extra Employee Expenses	\$150,000	\$350,000	\$100,000
Transportation and Travel Allowances	\$50,000	\$0	\$0
Overtime and Incentives	\$100,000	\$100,000	\$100,000
Bonuses Paid	\$0	\$250,000	\$0
Additional Staff	\$0	\$0	\$0
Other Extra Expenses	\$2,290,000	\$5,040,000	\$30,000
Data Recovery Expenses	\$0	\$0	\$0
Emergency Facilities	\$0	\$0	\$0
Payments to Others for Processing Work	\$2,000,000	\$0	\$0
Property & Equipment	\$250,000	\$0	\$0
Legal/Public Relations/Advertising	\$10,000	\$10,000	\$0
Miscellaneous	\$30,000	\$5,030,000	\$30,000
TOTALS	\$4,565,000	\$6,990,000	\$1,630,000