

Continuing Normal Operating Expenses

- Normal operating expenditures that continue (in whole or in part) during the time the operations are discontinued ("period of restoration") due to a direct property loss.
- Includes payroll, unless reduced or altered by the CP 15 10 endorsement as per the Business Income Report/Worksheet (CP 15 15)

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"Period of Restoration"

"Period of restoration" means the period of time that:

a. Begins: (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage;

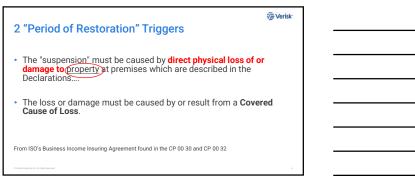
Ends on the earlier of:

1. the date the property **should be** repaired, rebuilt or replaced with reasonable speed and similar quality;(or)

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2. the date when business is resumed at a new <u>permanent</u> location.

From ISO's definition of "Period of Restoration" found in the CP 00 30 and CP 00 32



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Factors That May Affect the "Period of Restoration"

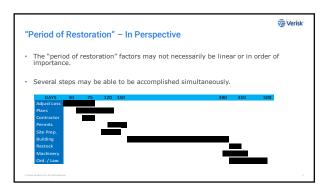
- 1. Time to adjust the direct property loss;
- 2. Development of building plans;
- 3. Finding a contractor;
- 4. Building permits;
- Site preparation including clearing the site of damaged or destroyed property;

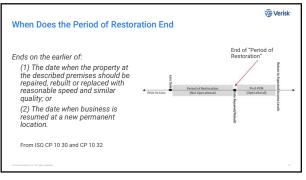
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Factors That May Affect "Period of Restoration"

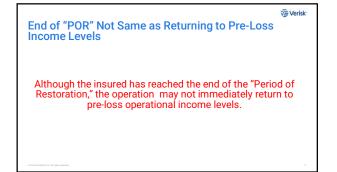
- 6. Time to rebuild;
- 7. Time to restock;
- 8. Rehiring/hiring employees;
- 9. Replacement machinery and equipment; and
- 10. Any involvement by federal, state or local government following a loss.

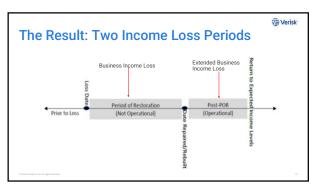
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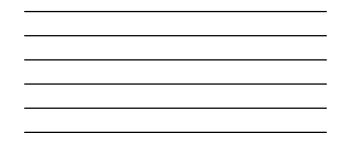


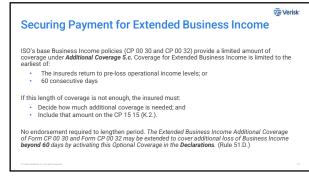


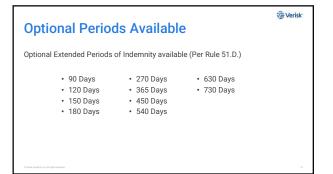












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Per Rule 51.D.

- Cannot be used with the Maximum Period of Indemnity
- · Cannot be used if coverage is written on a no-coinsurance basis.
- This option not available for extra expense protection



Dependent Property Exposures

- Business Income covers loss of business income when a covered cause of loss damages an insured location resulting in a suspension of operations.
- Damage to dependent properties is NOT covered by the unendorsed Business Income Coverage Form.
- Rule 51.B.: The Business Income From Dependent Properties Forms...provide coverage for loss of business income sustained when the suspension of the insured's operations is caused by direct loss or damage to described Dependent Property.

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What is a "Dependent Property" (Rule 51.B.)

Dependent Property is property that the insured depends on:

- 1. Contributing Location ("Suppliers")
- 2. Recipient Location ("Buyers")
- 3. Manufacturing Location ("Providers")
- 4. Leader Location ("Drivers")

The Dependent Property must not be owned, operated or controlled by the insured.

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The CP 15 15

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- In a sense, it's Time Element's equivalent of the property schedule in ISO's Statement of Values (CP 16 15)
- A valuable tool in the Business Income underwriting process
- Designed to help the Insured and Agent Develop the 12-month estimated Business Income exposure and the ultimate limit of coverage

Worksheet Details

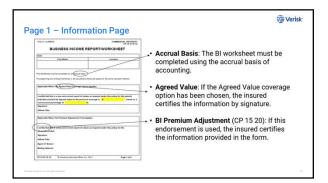
Four Columns

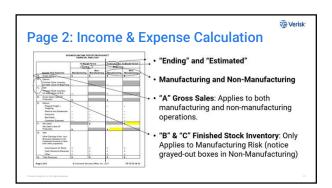
- Two for Manufacturing
 Two for Non-Manufacturing
- Can be Divided into Two Halves
 - Two columns on right request information about the year ENDING
 Second set of columns requests information about the UPCOMING year (estimated data)

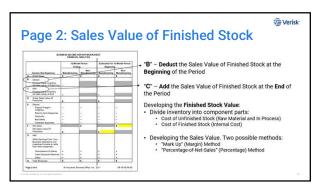
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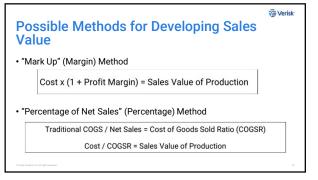
- The ESTIMATED column is for the coming policy period
- Most of the Information for Completing the Worksheet can be Found in the Year-End Income
 Statement
- Does not always follow GAAP

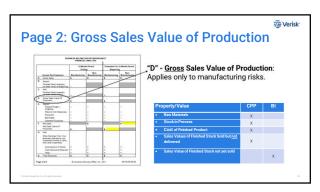
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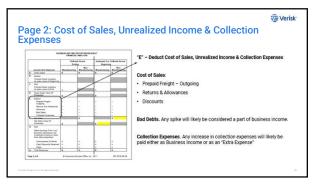


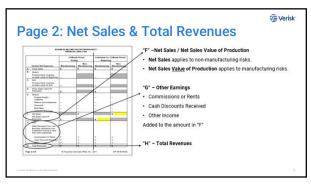


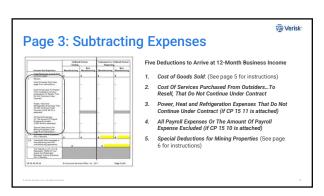


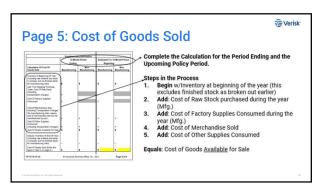


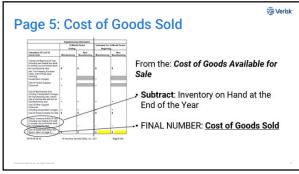


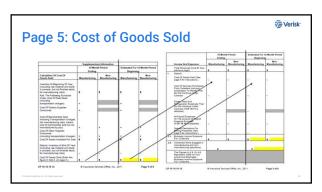




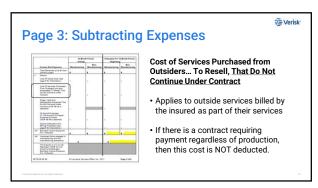


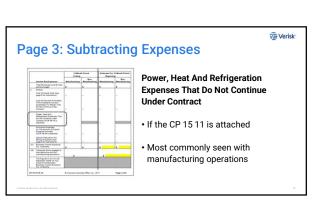


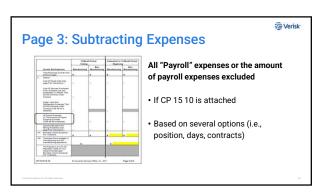




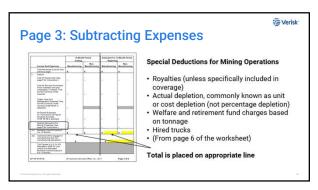




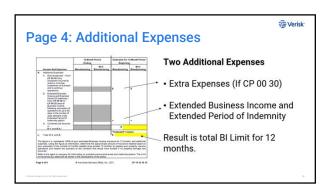


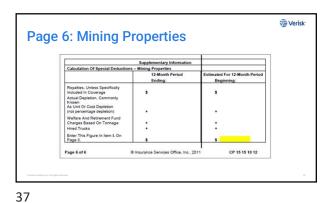












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