

An aerial night view of a city with a lightning bolt striking a building. The city lights are visible, and the lightning bolt is a bright white streak against the dark sky.

How Business Interruption Insurance Completes Your Business Insurance Puzzle

40% of small businesses close their doors following a disaster — and never reopen.¹

Tornadoes, drought, flooding and wildfires — these worst-case scenarios are on the rise. If a disaster were to occur tomorrow, as many as 66% of small businesses would not have business interruption policies in place. Don't leave your organization in a state of emergency. Preparedness means making sure you're covered if disaster strikes you.

¹ <https://www.fema.gov/protecting-your-businesses>

WHAT IS BUSINESS INTERRUPTION INSURANCE?

Business interruption policies cover the total loss of income after a disaster or business disruption that closes a business and necessitates rebuilding to get up and running again.

Property Insurance + Business Interruption Insurance

WHAT DOES PROPERTY INSURANCE COVER?

Property insurance covers the replacement or repair of your business's damaged physical property. It takes a physical loss or damage to property to trigger the coverage. Policies vary depending on the type of event leading to a loss and what, specifically, is insured.

WHERE'S THE FIT?

Business interruption starts where property insurance leaves off. When the physical loss affects the operation of the business, it covers the lost net profit and continuing business expenses.

It's also worth asking if your business would benefit from extra expense coverage as part of your business interruption coverage solution. This means you're covered for any costs — in excess of normal operating expenses — that will help get you back in business sooner.

WHAT YOU SHOULD KNOW

It's important to have a broker who can help you select the best type of business interruption coverage and set an adequate limit to properly protect your business.

General Liability + Business Interruption Insurance

WHAT DOES GENERAL LIABILITY INSURANCE COVER?

With this coverage, your business is insured for claims of tangible property damage, bodily injury and advertising injuries that result from your products and/or business operations.

WHERE'S THE FIT?

There is no direct connection between business interruption and your liability insurance. Business interruption only kicks in for situations in which your property is damaged. General liability kicks in if you are responsible for injuring people or damaging their property.

WHAT YOU SHOULD KNOW

Even though the two types of coverage are not connected, they are both considered an integral part of a robust insurance program. When facing a claim, it could be a major advantage to have both.





Cyber Liability Insurance + Business Interruption Insurance

WHAT DOES CYBER LIABILITY INSURANCE COVER?

Cyber insurance covers the expense of hiring experts to get you back up and running when a cyber attack occurs. This includes your lost income and provides coverage for system restoration costs, privacy breach expenses, business interruption losses and third-party liability losses.

WHERE'S THE FIT?

Some cyber policies include business interruption coverage and some do not. If your business is hacked and cannot operate normally, you'll need to have business interruption coverage built into your cyber insurance policy to deal with lost profits.

WHAT YOU SHOULD KNOW

Cyber attacks causing damage to your computer and any resulting business interruptions are not covered under your property insurance or business interruption policy. You must have a cyber policy in order to qualify for specialized cyber business interruption coverage.

Directors and Officers Liability + Business Interruption Insurance

WHAT DOES DIRECTORS AND OFFICERS (D&O) LIABILITY INSURANCE COVER?

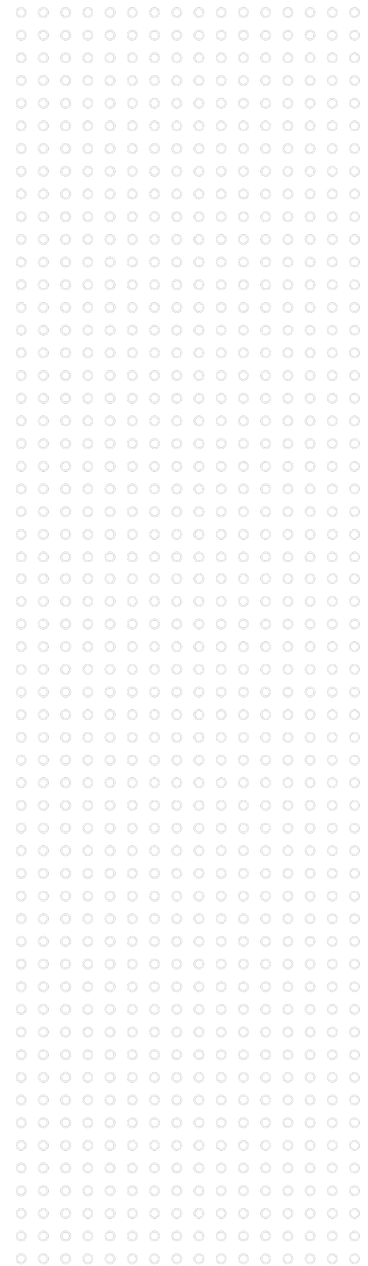
This type of policy protects your organization's leadership against claims of negligent oversight and decisions that might negatively impact financial performance.

WHERE'S THE FIT?

Properly designed business interruption insurance is the flip side of D&O coverage: it protects the company and shareholders against decision-makers' failure to recognize exposures that could result in uninsured losses that affect the bottom line.

WHAT YOU SHOULD KNOW

An uninsured or underinsured loss can have a catastrophic impact on a business. The failure to purchase adequate coverage can negatively affect the bottom line or even cause a temporary shutdown. Senior management and directors could face a shareholder suit. It's important for directors and officers to ensure that the firm's business interruption adequately protects against such exposures.





Professional Liability Insurance + Business Interruption Insurance

WHAT DOES PROFESSIONAL LIABILITY INSURANCE COVER?

Professional liability insurance (also known as errors and omissions or E&O) protects individual professionals and firms against claims for failure to provide services as stated.

WHERE'S THE FIT?

Sometimes your ability to provide services is affected by circumstances that are out of your control. Imagine a building fire or a flood, for instance. Shutting down for even a week can cause chaos. A business interruption policy can augment your professional liability coverage. While it won't cover your loss, it will provide the financial resources to help you continue to run your practice in the interim.

WHAT YOU SHOULD KNOW

It's worth checking with your broker to see if your policy contains business interruption coverage, or at the very least some extra expense coverage that can help cover the costs of getting up and running quickly in a temporary location and avoiding service interruption for your customers.



We're HUB

We help you prepare for the unexpected. With HUB, you have peace of mind that what matters most to you will be protected — through unrelenting advocacy and tailored business interruption solutions that put you in control.

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