

# THE HHC HERALD

Experience you deserve from a team you can trust.

## Business Interruption Insurance

Continuity is critical in business, and there are few things more important than continuous revenue and cash flow, particularly for small to medium-sized organizations. In fact, just one brief business interruption can be incredibly costly for an organization, often leading to serious reputational damages or long-term closures.

That's where business interruption insurance can help. This form of coverage provides protection against a variety of common interruptions, including natural disasters, equipment damage and vandalism.

### Claims Scenario: *You're Fired*

**The company:** A small, family-owned bagel shop.

**The challenge:** Following a recent fire, a bagel shop experienced major property damage. Not only were substantial repairs needed, the company lost crucial baking equipment.

Repairs for the damaged property and equipment were expected to take three months—a significant amount of lost time and revenue.

**Business interruption insurance in action:** Following a covered disruption, business interruption insurance can help businesses of all sizes stay afloat and recover quickly. This is because business interruption insurance can reimburse income organizations would have received had they been able to operate.

This was particularly important for the bagel shop, as paying for costly repairs and not having a steady flow of income could have bankrupted the business. With the right policy, organizations can take the necessary steps to get back up and running, all without sacrificing day-to-day income.

### Claims Scenario: *Relocation, Relocation, Relocation*

**The company:** A mid-sized auto dealership.

**The challenge:** After a night of severe flooding, a number of area businesses experienced substantial water damage. Of these businesses, an auto dealership was hit the hardest, losing the majority of its inventory.

In addition, because the lot was flooded, the dealership had to move its operations to a new location. This, in turn, meant the dealership had to sign a new lease and cover steep moving expenses.

**Business interruption insurance in action:** In the face of a disaster or other disruptions, organizations may be forced to move locations in order to remain open. Without the proper policy, organizations would have to pay for these costs out of pocket.

Thankfully, business interruption insurance can reimburse organizations for all of the costs associated with a move.

### Learn More About Business Interruption Insurance

Business interruption insurance is designed to give businesses access to the assets they need when they need them most. However, these policies can be complex, and it's important to work with your insurance broker closely when seeking coverage. To learn more, contact Hibbs-Hallmark & Company today.

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## Benefits of Business Interruption Insurance

### Revenue:

In the event of a disruption, business interruption insurance provides coverage for income your business would have earned during a closure period if it had been operating normally.

### Rent or lease payments:

Even if your premises are unusable following a disaster or other event, many leases still require that you make payments.

Business interruption insurance allows you to continue making rent or lease payments, even while your business is not operating.

### Relocation:

In the event that your primary location is unusable following a disaster or other event, you will likely have to relocate in order to remain open and continue generating revenue.

Business interruption insurance can cover the expenses of moving your business to a temporary location and may include both moving and rent costs.

### Employee wages:

If you are unable to operate, it is likely you will not be able to continue paying employees.

Business interruption insurance can help you avoid losing staff while you're closed by ensuring that you make payroll.

### Loan payments:

If you have an outstanding loan, you will need to continue to make payments even if your business isn't fully operational.

Business interruption insurance will ensure you never miss a payment until you are fully operational again.