

# Business Interruption Claim

## Documentation Package Checklist

The 5-section package your insurer needs. Assemble this before your first adjuster meeting.

franklyns bay llc  
StormRoofQuotes.com

■ File your BI claim simultaneously with your property damage claim — the indemnity period starts on the DATE OF LOSS, not the date you file. Late filing is the #1 reason BI claims are denied or reduced. Engage a forensic accountant for losses above \$250,000 — adjuster methodology will be challenged.

### SECTION 1 — REVENUE DOCUMENTATION (HISTORICAL BASELINE)

BI is calculated on NET INCOME LOST + continuing fixed expenses, not gross revenue lost. Your insurer will require 12–36 months of historical financials to establish the baseline period. Seasonal businesses need same-month comparisons, not full-year averages.

- Profit and loss statements — last 36 months (or all years in business if under 3 years)
- Federal tax returns — last 3 years (business returns, not personal)
- Monthly revenue breakdown — identify seasonal patterns and year-over-year trends
- Point-of-sale or accounting system revenue reports — match to P&L; for verification
- Accounts receivable records — revenue earned but not yet collected at time of loss
- Pre-loss revenue projections or budgets if above historical trend (expansion, new contracts)
- Evidence of pre-existing revenue growth trajectory — contracts signed, bookings, purchase orders
- Payroll records showing staffing levels — documents normal operating capacity

### SECTION 2 — CONTINUING EXPENSES DOCUMENTATION

- Lease or mortgage statements — fixed occupancy cost that continued during closure
- Loan and equipment financing statements — payments that continued regardless of operations
- Insurance premium invoices — continued during closure period
- Key management and retained employee payroll records — staff retained to maintain the business
- Utility bills — security, minimal maintenance utilities that continued during closure
- Service contract invoices — maintenance agreements, security monitoring, software subscriptions
- Professional retainer invoices — legal, accounting, IT support that continued during closure
- Document each expense with: invoice, payment record, explanation of why it continued during closure

### SECTION 3 — VARIABLE EXPENSES SAVED (REDUCES YOUR CLAIM)

Variable expenses saved during closure REDUCE your BI claim. Document these accurately — underreporting saved expenses creates audit risk. The formula is: Net Income Lost + Fixed Expenses Continuing – Variable Expenses Saved + Extra Expenses = BI Claim.

- Cost of goods not purchased — raw materials, inventory, wholesale products not ordered during closure
- Hourly and variable staff not paid — laid-off employees, part-time workers not retained
- Variable utilities not consumed — production electricity, water, gas for operations not running

- Sales commissions and variable compensation not earned — tied to revenue that did not occur
- Packaging, shipping, and delivery costs not incurred — no product moved, no distribution costs
- Merchant processing fees not incurred — no transactions, no payment processing charges
- Document each category with: prior period invoices showing normal spend vs. closure period invoices showing zero

#### SECTION 4 — EXTRA EXPENSES (MAXIMIZE RECOVERY)

- Temporary location lease or sublease agreements — cost of operating from alternative space
- Equipment rental invoices — temporary equipment to maintain partial operations
- Moving and relocation expense receipts — costs to move to temporary space and back
- Expedited repair invoices — overtime premiums paid to contractors to accelerate reopening
- Temporary technology setup — IT infrastructure, phone systems, internet at temporary location
- Re-opening marketing expenses — advertising specifically to announce reopening after storm closure
- Employee overtime for post-storm recovery work — cleaning, inventory, restoration beyond normal hours
- Document each extra expense with: invoice, receipt, and written explanation of how it reduced the BI period

#### SECTION 5 — CLAIM FILING AND PERIOD OF RESTORATION

- Date of loss formally established and documented — storm date, time power/access was lost
- BI claim filed with property insurer on the same day as property damage claim
- Daily operations log maintained throughout closure — what happened each day, who was working, what progress was made
- All repair contractor contracts and timelines documented — explains the period of restoration
- All permit applications, approvals, and delays documented — permitting delays extend BI and must be documented
- Reopening date formally established with documentation — first day of normal or near-normal operations
- Post-reopening revenue tracked for 3–6 months — "extended period of indemnity" coverage may apply
- All insurer communications logged — who you spoke to, date, what was discussed, follow-up in writing

#### 6 BI DENIAL REASONS — KNOW BEFORE YOU FILE

■ Late notice — BI claim not filed simultaneously with property claim	■ Failure to mitigate — insurer argues you could have reopened sooner
■ Insufficient documentation — no financial records to support baseline revenue	■ Period of restoration dispute — insurer claims repairs should have taken less time
■ Revenue baseline dispute — insurer uses shorter window or different seasonal period	■ Extra expenses rejected — not linked to reducing the BI period with documentation

BI Estimator Tool: [stormroofquotes.com/business-interruption-calculator.html](https://stormroofquotes.com/business-interruption-calculator.html) · Full BI Guide: [stormroofquotes.com/commercial-business-interruption-claim.html](https://stormroofquotes.com/commercial-business-interruption-claim.html) · Free Commercial Inspection: [stormroofquotes.com/#quote](https://stormroofquotes.com/#quote)