

Definitions

Additional Staff

Additional staff needed to maintain temporary site or continue operations such as security guards, armored car services, etc.

Bonuses Paid

Additional time spent by salaried employees at equivalent hourly rate. If salaried employee normally works 50 hours a week and works 60 hours a week for 4 weeks, 10 hours per week and salary converted to hourly rate. Note: this does not include performance or incentive bonuses.

Cost of Materials

Include only the cost of materials you buy: that's the cost of raw stock or stock in process.

Emergency Facilities

Emergency Facilities include 'hot' or other interim sites (such as a hotel or SunGard data center) needed prior to the setting up of a temporary site. Include expenses for technology and other equipment.

Engineering & Administrative Costs

Engineering and administrative costs associated with temporary location. Engineering may be required to review plans, visit site, approve improvements and build out plans.

Extra Employee Expense

Cost of additional wages and transportation to entice your employees to work from the new location, as well as the cost of employees working from home. You may need to hire additional staff.

Extra Rent and Facility Expense

Extra cost to rent additional space or equipment while your damaged location is being rebuilt or repaired.

Gross Revenues

Gross Revenue from Operations is gross sales including third party rental revenue, all other income (e.g., licensing fees, royalties), minus: returns and allowances, discounts granted to customers, and prepaid outgoing freight.

Improvements at Temp Location

Changes required to build out the temporary location such as creating conference rooms, etc.

Installation of Operations at Temp Location

Costs associated with setting up the operation, such as computers, copiers, etc.

Moving & Hauling

Costs associated with transporting salvageable property to temporary location (e.g., equipment, supplies). Assume 50% of existing business personal property is salvageable and will be moved to temporary location. Costs in first and final month apply.

Please remember that whether or not and, if so, to what extent, a loss is covered can only be determined at the time of loss by applying all of the policy provisions to the facts and circumstances of the claim. This information is advisory in nature, please remember to consult with your insurance, legal and other advisors in designing an insurance program that is right for you.

Ordinary Payroll

Ordinary payroll consists of salaries, benefits, social security and governmental pension payments, union dues, and worker's compensation premiums for all employees except those on executive payroll. Executive payroll is payroll for: Officers, Executives, Department Managers, employees under contract, and other employees you specify.

Other Extra Expenses

What other costs would you incur to stay in business after a loss? For example: you may need to spend money on emergency facilities, public relations, advertising, sub-contractors or new equipment.

Overtime and Incentives

Employees may work overtime to help set up temporary operations as quickly as possible.

Payments to Others for Processing Work

Payments for subcontracted service previously performed in house (e.g., back room operations, mailroom, etc.).

Property & Equipment

Net cost of property or equipment purchased, such as office equipment, or other items needed for temporary site which are not moved to permanent location (net of salvage). Note: Please consider the 'sale or salvage' value of property and equipment after restoration.

Public Relations/Advertising

Increased advertising or public relations necessary to maintain customer base (e.g., new location or operational status).

Research and Development Income

Research and Development income can be grants, endowments and other financial contributions, as well as agreements with third parties pursuant to a written contract to fund research and development operations.

Temp Location (incl. Rent, Utilities, Maintenance, Insurance)

Expenses incurred to utilize a temporary location, including additional rental expenses, utilities, maintenance and insurance for such location. Note: consider if current location generates green power, which is not available at temporary site.

Temporary Fixtures, Machinery & Equipment

Rental fees for items in the temporary location

Transportation and Travel Allowances

Additional cost to transport staff to temporary location including public transportation. Employees may need to travel and entertain key clients more to assure them that the firm is operating. Costs for employee airfare, housing, meals and entertainment.

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