

Industry: 

Manufacturing

Business Income

Gross Revenues	\$295,000,000
Research & Development Income	\$0
Cost of Materials	\$160,000,000
12-Month Business Income Amount, including Ordinary Payroll Option of your Choice	\$135,000,000

Duration of Loss

Number of Months You Estimate are Required to Return to your Previous Level of Business	24
Value of Duration of Loss	\$270,000,000

Extra Expense

First Month	\$4,565,000
Final Month	\$6,990,000
Each Intervening Month	\$1,630,000
Number of Anticipated Intervening Months	13
Your Total Extra Expense Amount	\$32,745,000

Final Analysis

Business Income Value of Duration	\$270,000,000
Potential Reduction in Duration of Loss, if Extra Expense Dollars are Paid	40%
Business Income Amount	\$162,000,000
Extra Expense Amount	\$32,745,000

Final Business Income & Extra Expense Amount \$194,745,000

Your Name: Jane Q. Public

Company Name: ABC Co.

Date: 03/08/2018

This information is advisory in nature. It is offered as a resource to help you establish adequate business income and extra expense values for insurance purposes. This guide is necessarily general in content and is intended as a tool that you can use together with others at your disposal to establish the values you wish to insure. Because the steps outlined in this resource rely on information provided by the insurance purchaser, no representation is made with respect to the accuracy, adequacy or suitability of the values established. No liability is assumed by reason of this information, the values determined using it or the insurance buying decisions made as a result. In determining the values you wish to insure, you should consult with your insurance representatives.

Extra Expenses	First Month	Final Month	Each Intervening Month
Extra Rent and Facility Expenses	2,125,000	1,600,000	1,500,000
Temp Location (incl. Rent, Utilities, Maintenance, Insurance)	1,500,000	1,500,000	1,500,000
Temporary Fixtures, Machinery & Equipment	500,000	0	0
Engineering & Administrative Costs	25,000	0	0
Improvements at Temp Location	0	0	0
Moving & Hauling	100,000	100,000	0
Installation of Operations at Temp Location	0	0	0
Extra Employee Expenses	150,000	350,000	100,000
Transportation and Travel Allowances	50,000	0	0
Overtime and Incentives	100,000	100,000	100,000
Bonuses Paid	0	250,000	0
Additional Staff	0	0	0
Other Extra Expenses	2,290,000	5,040,000	30,000
Emergency Facilities	0	0	0
Payments to Others for Processing Work	2,000,000	0	0
Property & Equipment	250,000	0	0
Public Relations/Advertising	10,000	10,000	0
Other	30,000	5,030,000	30,000
TOTALS	\$4,565,000	\$6,990,000	\$1,630,000