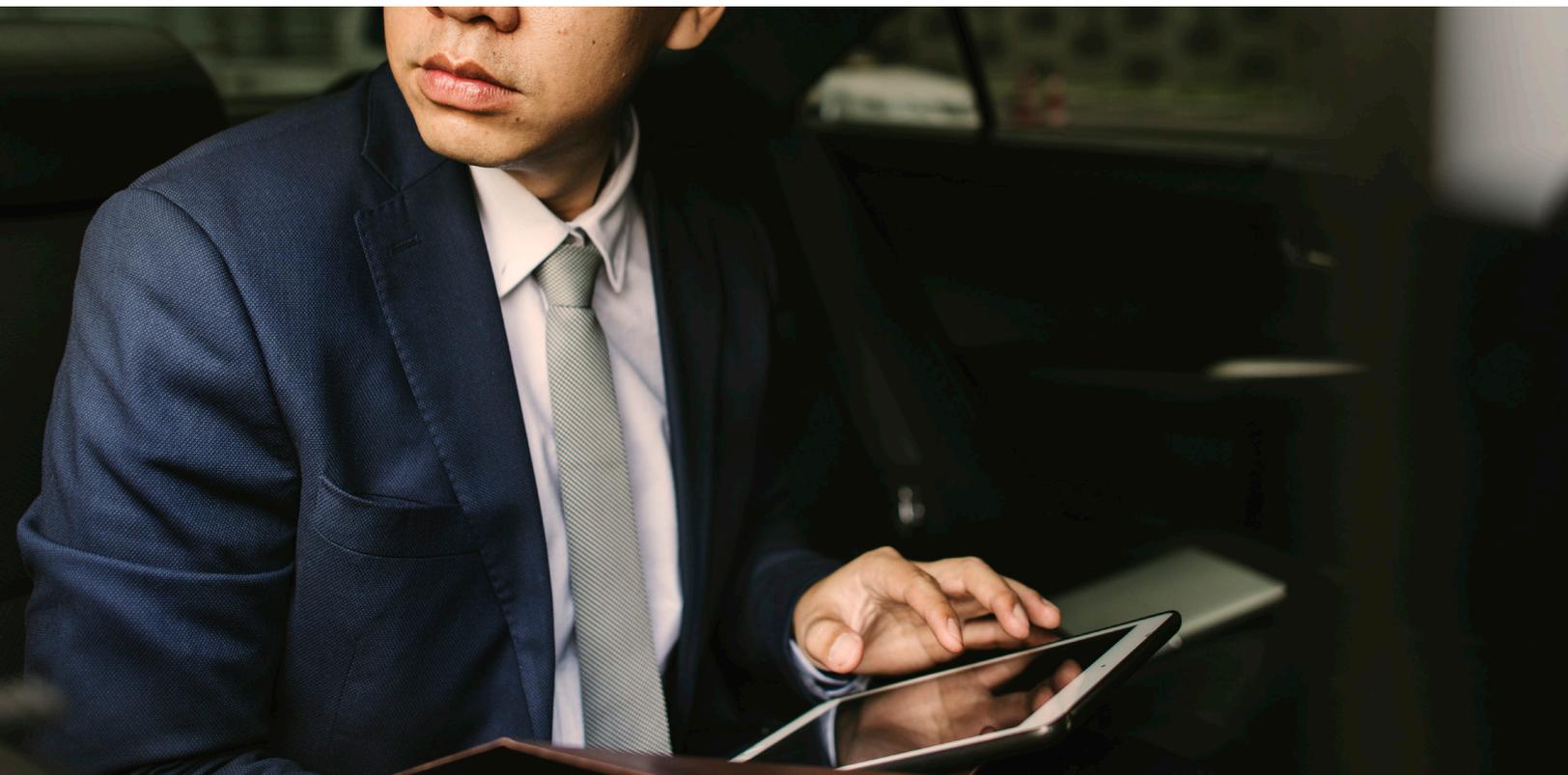


# The Benefits of Business Interruption & CBI Insurance

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. The following are some other major 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. This is especially important, as finding new employees is often more expensive than keeping them.

**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.

## CONTINGENT BUSINESS INTERRUPTION INSURANCE

Just one brief business interruption can be incredibly costly for an organization, often leading to serious reputational damages or long-term closures. Standard business interruption policies are vital in these instances, providing protection against a variety of common interruptions, including natural disasters, equipment damage and vandalism.

But what happens when one of your suppliers or customers experiences an interruption that derails your operations? To help address this concern, contingent business interruption (CBI) Insurance is crucial and has a number of unique benefits:

**Coverage beyond standard business interruption policies.** Unlike traditional business interruption insurance that compensates the policyholder for a loss resulting from damage to its own property, CBI insurance lets businesses transfer the risk of certain losses to the property of a third party.

**Reimbursement for a number of expenses.** When in place, CBI insurance can help employers cover ongoing expenses-like payroll and rent-should the insured's revenue stream be impacted by interruptions at a third party. In many cases, it is not necessary that the customer or supplier be totally shut down to trigger CBI insurance.

**Protection for a variety of scenarios.** In the policy itself, the covered third-party property may be specifically named, or the coverage may simply blanket all customers and suppliers. There are a variety of scenarios where this type of coverage is useful:

- When an insured business depends on a single supplier or a handful of suppliers for materials
- When a business relies on a single or a few key customers to purchase goods or services
- When a business depends on a nearby attraction or neighbouring commercial operation for customers

---

## To Learn More...

To truly understand your Business Interruption Insurance needs, it's important to assess your exposures. Business Interruption and CBI insurance is designed to give businesses access to the assets they need when they need it most.

However, these policies can be complex, and it's important to work with our experts to find the coverage that fits your business needs. To get started or to learn more, contact us today **1.800.661.1518** or email [dli@danlawrie.com](mailto:dli@danlawrie.com).