

Benefits of

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. 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.

Want to Learn More?

Business interruption 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 your insurance broker closely when seeking coverage. To learn more, contact us today.