

Worksheet: How Safe Are You From the Unexpected?

Does your business insurance adequately cover unexpected events? Fill out this worksheet and see where you may need additional coverage.

Section 1. Business interruption

Is your business fully covered in case of unforeseen shutdowns?

1. Do you have insurance to cover your company's losses if hit by a disaster or other interruption? If so, write down the coverage amount: Yes No (blank for dollar amount)

2. What is your company's annual net profit before income taxes? (blank for dollar amount)

3. Estimate your company's annual expenses:

- Rent: \$ _____
- Payroll: \$ _____
- Phone and utilities: \$ _____
- Marketing budget: \$ _____
- Professional services: \$ _____
- Insurance: \$ _____
- Taxes: \$ _____
- Other expenses: \$ _____
- **Total:** \$ _____

4. Add line 2 and the total from line 3: \$ _____

5. Subtract line 1 from line 4. This is the additional amount you may need to insure:
\$ _____

Section 2. Specific business interruptions

Does your insurance cover your company's biggest vulnerabilities?

1. You may need additional insurance to cover some unforeseen events. Check the ones that your company is vulnerable to and write down the amount of coverage you have for each:

Water damage: \$ _____

Fire: \$ _____

Vandalism: \$ _____

Spoilage: \$ _____

Loading/unloading: \$ _____

Other: \$ _____

2. Do you need coverage of additional types or amounts? For example, if your business is especially vulnerable to a flood, estimate the cost of a weeks-long shutdown and the cost of replacing damaged or destroyed furnishings and equipment. Write down the reason and additional coverage required:

Coverage: _____ Cost: \$ _____

Coverage: _____ Cost: \$ _____

Coverage: _____ Cost: \$ _____

Section 3. Business liability

Can you meet the costs of a lawsuit or other legal claim?

1. Do you have insurance to cover lawsuits and other claims filed by employees or other parties? If so, write down the coverage amount:

Yes No \$ _____ -

2. Legal awards can be quite large. It's important to prepare for a worst-case scenario. Ask yourself these questions:

- How much would legal costs be if your company were sued? Discuss this with your attorney: \$ _____
- How could such a claim affect your company? Ask your insurance agent for recommendations on coverage levels and review the recommendations with your business attorney and peers:
 - Financial losses to the business: \$ _____
 - General damages (nonmonetary losses for damages such as pain and suffering): \$ _____

\$ _____

Total:

3. Subtract line 1 from the total of line 2. This is the additional amount you may need to insure: \$ _____

Section 4. Data compromise

Are you protected against the loss of critical business information?

1. Do you collect personal or financial information? Write down the amount of insurance you have to cover the cost of data breaches: \$ _____

2. Theft of credit card records can be particularly damaging and expensive. Consider these questions:

- If your company suffers a data breach, how much could legal representation cost? Discuss this with your attorney: \$ _____
- Estimate the expenses to correct your technology after a data breach. Discuss this with your technical staff: \$ _____
- Estimate the cost to rectify the problem, including helping victims restore their identities: \$ _____
- **Total:** \$ _____

3. Subtract line 1 from the total of line 2. This is the additional amount your company may need to insure: \$ _____