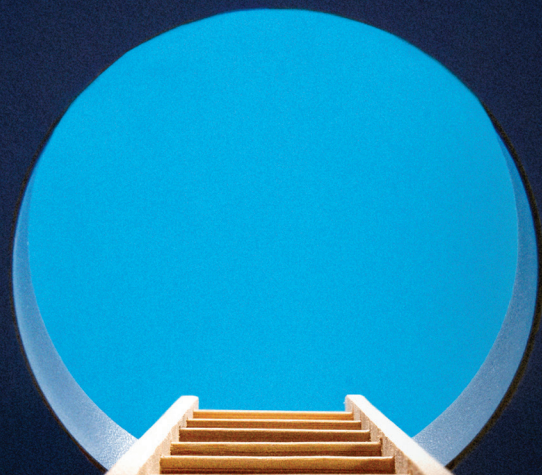




Dealing with the complexities of insurance claims amid disasters

3 things to consider when filing business interruption claims



If you're dealing with a disaster, you know business interruption (BI) insurance plays a vital role in funding your recovery. Most insurance policies include BI clauses that cover short-term financial losses arising from situations like natural disasters, employee theft, cybersecurity attacks, and prevention or limitation of access to the insured premises.

The size and complexity of BI coverage can be overwhelming in the best of times. In the aftermath of disaster, it can be nearly impossible to understand the complexities of your insurance coverage and claim – which is why hiring a third party to help can significantly increase your settlement amount.

Who you choose as your consultant can make a big difference in the outcome of your claim. You're likely using what limited funds you have to bail your business out of trouble, so outside help may seem like a luxury you can't afford. However, hiring a third party is actually covered by most business interruption policies. Plus, the right consultant will help you maximize the amount of your claim.

Here are three things to consider as you weigh your options:

1 Expertise and experience count.

The best consultants have experience working with carriers and truly understand the insurance claims process from all sides. Even the most basic insurance policies include a variety of provisions, and the larger the claim, the greater the challenge. Some companies also have multiple policies, covering different geographies, legal entities, and areas of the business. For example, one Crowe client had BI insurance with four different carriers – which meant four different claims, each with its own set of paperwork and policy requirements.

An independent and objective assessment of your claim is vital, and so is knowing how to address the potential counterarguments the carrier might propose. The manner in which you approach your claim will determine your chances to maximize the claim.

2 The presentation of your claim is crucial.

Your carrier is likely handling multiple claims and has limited knowledge of your business. It's important that you provide background, support, and other relevant information needed to process the claim. You need to show evidence that you've addressed all points of the policy requirements – and that evidence needs to stand up to the highest level of scrutiny.

The right consultant will help you prepare a high-quality claim package consisting of a claim overview, a timeline of key events, details of the interruption to business operations, claim calculations, and supporting documentation. This presentation enables insurers to process claims efficiently and maximizes the chance of a timely payment of the claim for the right amount.

3 The secret ingredient? Industry experience.

The best consultants understand all facets of your business. We structure our teams with extensive partner and senior manager involvement and leverage our specialists across the firm to address industry questions. This approach helps identify all areas where coverage applies and helps take full advantage of your insurance coverage.

Rest assured, the insurance companies are employing experts. From policy writers to claim processors to outside legal counsel, they are ready to defend their position – and you should, too. If you're looking for a third party to help guide you through this process, contact our team.



Learn more

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What about COVID-19 coverage?

Does your policy provide coverage for pandemic/virus-related damage?

Most exclude virus coverage, but it's worth confirming.

Is there going to be any COVID-19-related regulation that will preclude those exclusions?

Nothing has come through yet, but it's being explored – and it would likely require coverage to be applied retroactively.

Is there any way insurance providers would cover pandemic-related claims?

Negotiations are possible – our team is happy to assist your business as you work with your insurance carrier.

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