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BUSINESS INTERRUPTION WORKSHEET

(Gross Earnings)

(For use with Gross Earnings, Mercantile, Non-Manufacturing or Manufacturing Risks)

Name of Insured: _____

Location of Risk: _____

Date: _____

ALL ENTRIES TO BE ON AN ANNUAL BASIS

COLUMN 1

COLUMN 2

ACTUAL VALUES FOR THE
YEAR ENDED 20

* ESTIMATED VALUES FOR
THE YEAR ENDING 20

A.	Total net sales value of production from manufacturing operations and total net sales or net revenue from merchandising or non-manufacturing operations (gross sales or gross revenues less discount, returns, bad accounts, and prepaid freight, if included in sales)	\$	\$
B.	Add other earnings derived from operations of the business:		
1.	Cash discounts received	\$	\$
2.	Commissions or rents from leased departments	\$	\$
3.	Other	\$	\$
C.	Total of A and B		
D.	Deduct only cost of:		
1.	Raw stock from which such production is derived including "freight in"	\$	\$
2.	Materials and supplies consumed directly in the conversion of raw stock into finished stock or in supplying the services sold	\$	\$
3.	Merchandise sold, including packaging and materials therefore	\$	\$
4.	Services purchased from outsiders (not employees) for resale which do not continue under contract		
5.			
6.	Total deductions		
E.	GROSS EARNINGS ("C" Minus "D")	\$	\$
F.	Take 50% or 80% of "E", Column 2, as amount of insurance required depending upon percentage Co-insurance Clause to be used (%)		\$
IF INSURANCE IS TO BE WRITTEN WITH ORDINARY PAYROLL EXCLUSION ENDORSEMENT, deduct from "E" above			
G.	All Ordinary Payroll Expense as defined below ((including insurance premiums and taxes on said payroll).	\$	\$
H.	Business Interruption Basis for Co-insurance ("E" Minus "G")	\$	\$
I.	Amount of Insurance – Take 80% of H, Column 2		\$



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ALL ENTRIES TO BE ON AN ANNUAL BASIS

	COLUMN 1 ACTUAL VALUES FOR THE YEAR ENDED 20	COLUMN 2 * ESTIMATED VALUES FOR THE YEAR ENDING 20
IF INSURANCE IS TO BE WRITTEN WITH ORDINARY PAYROLL LIMITED COVERAGE ENDORSEMENT, Complete the following:		
J. Select the largest Ordinary Payroll Expense for consecutive calendar days (90, 120, 150 or 180 days may be selected)	\$	\$
K. Business Interruption Basis for Co-insurance ("H" plus "J")	\$	\$
L. Amount of Insurance – Take 80% of K Column 2		\$

Note 1. **THE CO-INSURANCE CLAUSE ALWAYS APPLIES TO THE FUTURE (never the past).**

* Estimate of values to be projected for two years ahead of the year shown in Column 1.

Note 2. When the Ordinary Payroll Limited Coverage Endorsement is used, the amount to be stated in the Endorsement should be at least 80% of the amount shown under J. "Column 2" above.

Note 3. Do not inadvertently enter Cost of Sales as Cost of Raw Stock under "D" above. This item should not include any labor. "Freight in" may be considered as part of the cost of raw stock.

Note 4. Business Interruption values should be checked at regular intervals and any actual or impending change that would affect values as they have been projected in Column 2, should be notified to the broker as soon as changes become known.

EXPLANATORY NOTES:

I To obtain annual net sales value of production from Manufacturing operations, the following procedure is recommended:

Net sales of Insured's production during the year (i.e. gross sales less discounts granted, returns, allowances, bad debts, and prepaid freights, if included in sales figure)	\$
DEDUCT inventory of FINISHED STOCK beginning of year, priced at sales value	\$
Balance	\$
ADD inventory of finished stock on hand at end of year, priced at sales value	\$
TOTAL of annual net sales value of production during year	\$

II To obtain cost of raw stock, merchandise sold, or materials and supplies consumed, the following procedure is recommended:

Inventory at beginning of year, priced at sales value	\$
ADD net cost of raw stock, merchandise, materials, and supplies purchased during the year (including cartage and transportation charges on said incoming purchases)	\$
TOTAL	\$
DEDUCT inventory at end of year, priced at sales value	\$

Amount for deductions 1, 2 and 3 of D

Note: (Adjust for any inventory increase or decrease caused by price fluctuations.)

III Definition of Ordinary Payroll Expense: The entire payroll expense for all employees of the Insured, except officers, executives, department managers, employees under contract and other important employees