

[Client Name]

Business Income and Extra Expense Coverage Analysis and Recommendation Presented: April 25, 2025

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1. Executive Summary

[Client Name], a precision ammunition manufacturer based in [City, State], relies heavily on uninterrupted production for operational success. After a thorough Business Income and Extra Expense analysis, we recommend structuring coverage to safeguard against income disruption and additional operating costs resulting from a major loss event. The recommended coverage design ensures financial resilience, operational continuity, and adherence to best risk management practices.

2. Client Analysis

Industry: Ammunition Manufacturing
Location: [City, State]
Financial Data Review Period: January 1 – April 4, 2025

Key operational risks identified include:

- High dependence on specialized equipment and production continuity.
- Supply chain vulnerabilities tied to specialized components.
- Significant financial exposure from facility downtime.

3. Solution Presentation

Business Income Exposure Calculation

Category	Amount (\$)
Projected Annual Gross Revenue	2,653,330
Projected Annual Cost of Goods Sold	434,219
Projected Continuing Expenses	544,867
Annual Business Income Value	2,763,978

Coinsurance Requirement

- Required Coinsurance: **80%**
- Minimum Required Business Income Coverage: **2,211,200**

Extra Expense Exposure

Expense Category	Estimated Cost
Outsourced Production (3–6 months)	180,000–300,000
Temporary Facility Setup	50,000–100,000
Equipment Rental (Expedited)	60,000
Expedited Material Shipping	30,000
Staff Overtime	25,000

Estimated Extra Expense Range: 345,000–515,000
Recommended Extra Expense Limit: 500,000

4. Pricing & Options

Coverage Type	Recommended Limit
Business Income	2,764,000
Extra Expense	500,000
Total Combined Limit	3,264,000

Coverage Highlights

- Agreed Value Endorsement to waive coinsurance penalties.
- Extended Period of Indemnity endorsement for recovery support up to 12 months post-resumption.
- Coverage includes expedited production costs and relocation expenses.

5. Additional Recommendations

- **Period of Restoration:** 12–18 months.
- **Supply Chain Resilience:** Add 3–6 months buffer to account for specialized component lead times.
- **Form Enhancements:**
 - Business Income from Dependent Properties coverage consideration.
 - Increased Civil Authority coverage limit.

6. Team Introduction

Primary Service Contact:

Name: [Insert Producer Name]

Title: Senior Commercial Risk Advisor

Contact: [Phone] | [Email]

Support Team:

- **Claims Advocacy Specialist:** [Insert Name]
- **Risk Engineering Consultant:** [Insert Name]

7. Social Proof

"After a catastrophic fire, the business income coverage structured by [Agency Name] allowed us to reopen within four months with minimal disruption."

— Manufacturing Client, Mountain West Region

8. Next Steps

Step	Target Date
Review Proposal Recommendations	[Within 5 business days]
Confirm Selections/Endorsements	[Within 10 business days]
Binding and Issuance	[Within 15 business days]

Action Checklist:

- Confirm coverage selections.
- Sign coverage election form.
- Schedule annual risk review consultation.

9. Terms & Conditions

- This proposal is for illustration purposes only and does not bind coverage.
- All coverages are subject to underwriting approval and carrier-specific terms and conditions.
- Surplus lines insurers may not be covered by state guaranty funds.
- Final premiums and terms may vary upon binding.

10. Digital Signature

A secure electronic signature page will be provided to confirm coverage elections and initiate binding.

[CONFIDENTIAL: BETA TESTING DOCUMENT]

InterruptionIQ Pro - Guided Walkthrough v1.0

InsuranceGPTs.com | Beta Release: May 2025

Document ID: IIQ-BETA-WLK-001

Summary:

[Client Name] should carry approximately **\$3.26M** in Business Income and Extra Expense protection to ensure the ability to survive and thrive following a significant loss event.

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