

Business Interruption Claims

Dictiomatic v USF&G, a Florida case that brings together virtually all of the principles applicable to such claims and provides a concise primer on these principles. The insured had manufactured and marketed two generation translators. Hurricane Andrew damaged the offices in South Miami and Dictiomatic submitted a written business interruption claim

Business interruption is physical damage done to a company's plant causing them to suspend business for a certain amount of time. Making a claim on business interruption means filing for compensation that was lost because of the damage done to a business's property.

Generally there are three types of business interruption insurance:

- Business interruption- compensate the uninsured for income lost during time of restoration
- Extended business interruption- provides coverage only after property is repaired and before income goes back to pre-loss level, usually only for a certain period of time
- Contingent business interruption- provides coverage from physical damage not property damage

<http://www.irmi.com/Expert/Articles/2000/Berry12.aspx>

Accountants are in charge of preparing reports, consult during discovery, depositions other pretrial activities

Insurance claim accounting means that the principle of direct cost accounting is followed in business interruption claims and property claims rather than GAAP.

Accountants help revise your coverage making sure each company has the right coverage for the right time and right area. Coverage is important to recover the loss of net earnings when property has sustained no physical damage but income was affected.

<http://www.bizjournals.com/louisville/stories/2008/03/03/story5.html>