

# Has Your Business Suffered A Loss From Hurricane Matthew? First Steps For Filing An Insurance Claim

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**FOR IMMEDIATE RELEASE** New York Press Office: (212) 346-5500; [media@iii.org](mailto:media@iii.org)

**NEW YORK, October 12, 2016** — Business owners who have suffered damage due to Hurricane Matthew should contact their insurance professional as soon as possible to get the claims process started, according to the [Insurance Information Institute](#) (I.I.I.).

In order to get started, the I.I.I. recommends that business owners:

1. Fill out claims forms as soon as possible—including a “proof of loss” form, which must be completed within 60 days.
2. Make a list of damaged property; the more detailed the better. Take photos or video to back up the claim.
3. Be prepared to show the adjuster the damaged property as well as financial records or other documents.
4. Get at least two bids for repairs or replacements.

5. Keep copies of all correspondence regarding the claim and note the name, title and phone number of everyone you speak with.

For more details, see [Filing a Business Insurance Claim](#).

## What Is—And Is Not—Covered

As a business owner, it is also important to understand what is and is not covered by insurance, and the various coverage options available to protect businesses.

Property damage is typically covered under a Business Owners Policy (BOP) or through a Commercial Multi-Peril (CMP) policy. Most commercial property policies provide either:

- *Replacement cost coverage* –pays to rebuild or repair the property, based on current construction costs.
- *Actual cash value coverage* – which pays to rebuild or replace the property *minus* depreciation

Depreciation is a decrease in value due to wear and tear or age so with actual cash value coverage a business that is destroyed may not be in a position to completely rebuild. Business owners can also opt for a combination of both types of coverage.

**Business income** insurance (also known as business interruption), is typically included in a BOP or CMP and provides coverage for:

- Revenue lost due to the closure
- Fixed expenses, such as rent and utility costs
- Expenses of operating from a temporary location

To receive appropriate reimbursement from business interruption coverage, *there must be*

*direct physical damage* to the property resulting from an insured event. Be aware that there is generally a 24- to 48-hour waiting period before business income coverage kicks in.

Determining a business interruption loss involves establishing what the business would have earned had the loss not occurred. Insurance companies take into account past tax returns, profit and loss statements, projected sales and non-continuing expenses.

If you expanded your basic business interruption insurance and property insurance coverage to include utility interruption, you may be covered if either electrical or water service was discontinued due to the storm.

Businesses that rent or lease a building can purchase tenant coverage, which insures on-premises property, including machinery, furniture and merchandise. The building owner's policy will *not* cover contents.

Standard commercial insurance policies *exclude* flooding from tidal surge. Commercial flood coverage is available from the [National Flood Insurance Program](#) (NFIP) and from a few private insurers. The NFIP provides up to \$500,000 in building coverage and \$500,000 for contents. Excess flood insurance is also available for businesses.

Visit the [Business Insurance section](#) of the I.I.I. website for more information on coverage options and disaster preparedness.

## **RELATED LINKS**

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## **RESOURCES:**

[Insurance Institute for Business & Home Safety](#)

National Flood Insurance Program

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