
DESANCTIS INSURANCE AGENCY, INC.

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To Our Valued Clients:

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Business Interruption Insurance

Many of you have already protected assets on your balance sheet from direct loss caused by fire, wind, theft, etc. by securing insurance on your real estate and business personal property. However, you may also incur a loss of income or an increase in expenses as a result of not being able to use the damaged property while it is being repaired or replaced. Business Interruption coverage can help protect your income statement from those types of losses and should not be overlooked.

Business Income coverage replaces the loss of income (including loss of rents) because your business cannot function at the same level it did before a covered property loss occurred, and also pays for the necessary expenses that continue after the covered loss, including payroll.

Extra Expense coverage provides additional funds for the necessary additional expenses an insured incurs that they would not have incurred had there been no loss.

Contractors are a little different from businesses that actually generate their income from their fixed location as most operations for contractors occur off premises. You may have only a loss of rental income exposure at your premises. The Extra Expense component, however, could be very important. The expenses incurred to quickly set up and operate out of a temporary location on short notice could significantly exceed normal operating expenses. It is this increase above your normal operating expenses that would be covered, as well as expediting expenses, to the extent they reduce the loss, such as rush delivery of equipment, and overtime to rush construction repairs.

If this potential exposure to lost income or increased expenses is of concern, please give us a call and we will be happy to provide a quote for you.

Very truly yours,

DeSanctis Insurance Agency, Inc.