Business Income Worksheet
Non-Manufacturing or Mercantile Operations

	Actual values for year ending 20__	Estimated values for year ending 20__
A. Net Income before Taxes		
B. Add Total Operating Expenses		
Sub-Total		
If Ordinary Payroll is to be excluded or limited:		
C. Deduct any or all Ordinary Payroll Expense		
D. Business *Income* Basis *(A+B) - C*		
E. Number of months required to recover from a total destruction of property (Show the# of months as a percentage of a year. Example: 6 months =.5; 9 months =.75, etc.)		
F. Estimated Business Income Exposure Amount (D)x(E)		
G. If Extra Expense is to be covered, show the Estimated Total amount from Line 5 of the Extra Expense Worksheet		
H. Estimated Business Income and Extra Expense Exposure Amount (F + G)		

EXTRA EXPENSE WORKSHEET

If your business was to suffer an insured loss but you must stay open for business, you could incur costs above and beyond your regular expenses. The purpose of this worksheet is to estimate the potential exposure/expenses incurred as your business continues operations while trying to get back to normal after a loss. Business Income insurance covers what the business would have earned if no loss had occurred. Extra Expense covers the costs related to maintaining the market share and reducing the duration and severity of the loss.

	Column A 1st Month	Column B Each subsequent month
Temporary Location Expenses		
- *Temporary location(rent)*		
- *Temporary fixtures, machinery & equipment*		
Moving & hauling		
Installation of operations		
Light heat & power at temporary location		
Maintenance at temporary location		
Insurance at temporary location		
Employee Expenses		
- *Transportation*		
-*Overtime*		
- *Travel allowances*		
- *Incentives*		
- *Additional staff*		
Other Expenses:		
Advertising		
Telephone and communications (installation and maintenance at temporary location)		
Engineering & administrative costs		
Emergency facilities		
Net amount paid to others for services and manufacturing		
Additional freight and shipping costs due to temporary location		
Automobile rentals		
Other:		
Total:	$	$

TOTAL EXTRA EXPENSE

Calculations should be based on the longest foreseeable recovery period in order to ensure adequate coverage.

Total extra expanse per month, *for* each subsequent month following loss (Column B Total) (Line 1) $ _____

Number of months required to recover from total destruction of property *excluding first month if Extra Expense dollars are spent* (Line 2) $ _____

Total extra expense for all months after 1st month (Line 1x Line 2) (Line 3) $ _____

Total extra expense for first month following loss (Column A Total) (Line 4) $ _____

Estimated Total Extra Expense {line 3 +Line 4) (Line 5) $ _____

Glossary

Net Income Before Taxes

Net income before taxes is listed on your latest income statement under "Net Income Before Taxes."

Don't include other types of income listed on your income statement, such as "Other Income," "Extraordinary Gain or Loss," or other income sources that aren't related to the primary operation of your business.

Total Operating Expenses

Operating expenses are annual expenses you have that relate to the primary operation of your business. It includes items such as your rent, lease payments on property or equipment, wages and salaries, payroll taxes, benefits, insurance premiums, property taxes, utilities, administrative expenses, depreciation and professional services.

Don't include items listed in your income statement under "Cost of Goods Sold" - the expenses you incur in order to manufacture, create or sell your product - in this section.

Ordinary Payroll Expense Deduction

In this section, you must estimate whether you want to continue to pay your employees if your business is shut down and your property is destroyed. For example, during a shutdown, if you plan to continue to psy all employees, deduct nothing (enter $0).

If you do not plan to pay all your employees during a shutdown, you'll exclude the cost of their pay here. When you enter this deduction, you can include payroll, benefits, FICA, union dues and workers' compensation insurance costs.

Don't include payroll for officers, executives, department managers and others designated as key employees in your Income Statement. That compensation is not considered part of your "Ordinary Payroll."

Recovery Time

In this section, enter the number of months you believe It would take your business to rebuild your property and return to your current revenue level if your business property were totally destroyed.

For most companies, it takes six months to a year to return to pre-loss revenue levels and for businesses operating specialized fields or in a highly competitive industry, it can take even longer.
Factors to consider include the time it will take to clear debris from your site, get permits, rebuild your property or select a new location, replace equipment and machinery, become fully operational and regain customers. Some businesses such as retailers, contractors, and outdoor services experience seasonal changes in income levels. These fluctuations should be considered when determining your Insurance needs.

Note: Every business is different. Before purchasing coverage, you should discuss these issues with your financial advisor or independent agent.