

## Worksheet: How Safe Are You From the Unexpected?

Does your business insurance adequately cover unexpected events? Fill out this worksheet and see where you may need additional coverage.

### Section 1. Business interruption

*Is your business fully covered in case of unforeseen shutdowns?*

1. Do you have insurance to cover your company's losses if hit by a disaster or other interruption? If so, write down the coverage amount: Yes No (blank for dollar amount)

2. What is your company's annual net profit before income taxes? (blank for dollar amount)

3. Estimate your company's annual expenses:

- Rent: \$ \_\_\_\_\_
- Payroll: \$ \_\_\_\_\_
- Phone and utilities: \$ \_\_\_\_\_
- Marketing budget: \$ \_\_\_\_\_
- Professional services: \$ \_\_\_\_\_
- Insurance: \$ \_\_\_\_\_
- Taxes: \$ \_\_\_\_\_
- Other expenses: \$ \_\_\_\_\_
- **Total:** \$ \_\_\_\_\_

4. Add line 2 and the total from line 3: \$ \_\_\_\_\_

5. Subtract line 1 from line 4. This is the additional amount you may need to insure:  
\$ \_\_\_\_\_

### Section 2. Specific business interruptions

*Does your insurance cover your company's biggest vulnerabilities?*

1. You may need additional insurance to cover some unforeseen events. Check the ones that your company is vulnerable to and write down the amount of coverage you have for each:

Water damage: \$ \_\_\_\_\_

Fire: \$ \_\_\_\_\_

Vandalism: \$ \_\_\_\_\_

Spoilage: \$ \_\_\_\_\_

Loading/unloading: \$ \_\_\_\_\_

Other: \$ \_\_\_\_\_

2. Do you need coverage of additional types or amounts? For example, if your business is especially vulnerable to a flood, estimate the cost of a weeks-long shutdown and the cost of replacing damaged or destroyed furnishings and equipment. Write down the reason and additional coverage required:

Coverage: \_\_\_\_\_ Cost: \$ \_\_\_\_\_

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Coverage: \_\_\_\_\_ Cost: \$ \_\_\_\_\_

### Section 3. Business liability

*Can you meet the costs of a lawsuit or other legal claim?*

1. Do you have insurance to cover lawsuits and other claims filed by employees or other parties? If so, write down the coverage amount:

Yes No \$ \_\_\_\_\_ -

2. Legal awards can be quite large. It's important to prepare for a worst-case scenario. Ask yourself these questions:

- How much would legal costs be if your company were sued? Discuss this with your attorney: \$ \_\_\_\_\_
- How could such a claim affect your company? Ask your insurance agent for recommendations on coverage levels and review the recommendations with your business attorney and peers:
  - Financial losses to the business: \$ \_\_\_\_\_
  - General damages (nonmonetary losses for damages such as pain and suffering): \$ \_\_\_\_\_

\$ \_\_\_\_\_

**Total:**

3. Subtract line 1 from the total of line 2. This is the additional amount you may need to insure: \$ \_\_\_\_\_

#### **Section 4. Data compromise**

*Are you protected against the loss of critical business information?*

1. Do you collect personal or financial information? Write down the amount of insurance you have to cover the cost of data breaches: \$ \_\_\_\_\_

2. Theft of credit card records can be particularly damaging and expensive. Consider these questions:

- If your company suffers a data breach, how much could legal representation cost? Discuss this with your attorney: \$ \_\_\_\_\_
- Estimate the expenses to correct your technology after a data breach. Discuss this with your technical staff: \$ \_\_\_\_\_
- Estimate the cost to rectify the problem, including helping victims restore their identities: \$ \_\_\_\_\_
- **Total: \$ \_\_\_\_\_**

3. Subtract line 1 from the total of line 2. This is the additional amount your company may need to insure: \$ \_\_\_\_\_