

## Business Interruption Worksheet (Gross Earnings)

Name of insured: \_\_\_\_\_

|  | Column 1<br>Actual values for the year<br>ended 20_____ | Column 2<br>Actual values for the<br>year ended 20_____ |
|--|---|---|
| A Total net sales value of production from Manufacturing Operations; and total net sales or net revenue from Merchandising or Non-Manufacturing Operations (gross sales or gross revenues less discounts, returns, bad accounts and prepaid freight, if included in the sales) | \$ _____  | \$ _____  |
| B Add other earnings (if any) derived from operations of the business:   |   |   |
| 1. Cash discounts received   | \$ _____  | \$ _____  |
| 2. Commissions or rents from leased departments  | \$ _____  | \$ _____  |
| 3. Total additions   | \$ _____  | \$ _____  |
| C Total (A plus B)   | \$ _____  | \$ _____  |
| D Deduct only cost of:   |   |   |
| 1. Raw stock from which such production is derived   | \$ _____  | \$ _____  |
| 2. Supplies consisting of materials consumed directly in the conversion of such raw stock into finished stock or in supplying the service(s) sold by the Insured   | \$ _____  | \$ _____  |
| 3. Merchandise sold, including packaging materials   | \$ _____  | \$ _____  |
| 4. Service(s) purchased from outsiders (not employees of the Insured) for resale while do not continue under contract  | \$ _____  | \$ _____  |
| 5. Total deductions  | \$ _____  | \$ _____  |
| E Gross Earnings (C minus D)   | \$ _____  | \$ _____  |
| F Take 50% or 80% of E column 2, as amount of insurance required, depending upon percentage Co-Insurance Clause to be used (.....\$)   |   | \$ _____  |

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|  |          |          |
|--|----------|----------|
| If insurance is to be written without ordinary payroll, deduct from E above:                                 |          |          |
| G All ordinary payroll expense, as defined in the Notes  | \$ _____ | \$ _____ |
| H Business interruption basis for co-insurance minus G   | \$ _____ | \$ _____ |
| I Amount of insurance – Take 80% of H, column 2  |          | \$ _____ |
| If insurance is to be written without ordinary payroll, complete the following:                              |          |          |
| J Select the largest Ordinary Payroll expense for consecutive calendar days (90 or 180 days may be selected) | \$ _____ | \$ _____ |
| K Business Interruption Basis for Co-Insurance (H plus J)  | \$ _____ | \$ _____ |
| L Amount of insurance—take 80% of K, column 2  |          | \$ _____ |

### EXPLANATORY NOTES

- To obtain annual net sales value of production from Manufacturing Operations, the following procedure is recommended:

Net sales of Insured's product during the year (i.e. gross sales less discounts granted, returns, allowances, bad debts and prepaid freight, if included in sales figures)

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

**Deduct:** Inventory of **Finished Stock** at beginning of year, priced at sales value.

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

Balance:

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

**Add:** Inventory of **Finished Stock** on hand at end of year, priced at sales value

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

**Total:** Annual Net Sales Value of production during the year

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

- To obtain cost of raw stock, merchandise sold, or supplies consisting of materials consumed, the following procedure is recommended:

Inventory at beginning of year

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

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**Add:** Net cost of raw stock, merchandise, supplies, consisting of materials purchased during the year (including cartage and transportation charges on said incoming purchases)

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

Total: \$ \_\_\_\_\_

**Deduct:** Inventory at end of year

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

Amount for deductions 1,2 and 3 of "D"

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

3. Definition of Ordinary Payroll Expense: the entire payroll expense for all employees of the Insured, except officers, executives, department managers, employees under contract and other important employees.

### NOTES FOR WORKSHEET

1. The co-insurance clause always applies to the future (never the past).
2. When Ordinary Payroll Limited Coverage Endorsement is used, the amount of coverage thereunder is limited to 80% of the amount shown under item "J" column 2, and this amount must be shown on the endorsement.
3. Do not inadvertently enter Cost of Sales as Cost of Raw Stock under "D" above. This item should not include any layout. "Freight in" may be considered as a part of the cost of raw stock.
4. Business interruption values should be checked at regular intervals and any actual impending change that would affect values as they have been projected in column 2 should be notified to the agent or broker as soon as such changes become known.

We do certify that the values shown reflect our best and most current valuation, and acknowledge that these values form the basis upon which the policy is to be issued.

Signature \_\_\_\_\_

Date \_\_\_\_\_

Title \_\_\_\_\_