

Business Solutions

Saving A Business When Disruption Strikes

(NAPSA)—You can keep your business going, even when it's been stifled by a destructive event.

It helps if you remember that when there's a fire, an explosion or some other physical catastrophe, your insurance coverage against those dangers may not be enough.

That kind of coverage only replaces the tangible loss. While the business is regrouping after the blow—and until the firm is physically restored—it may well be out of business. Often, orders must be canceled, no new ones taken and no money comes in. Businesses are hard pressed to survive such downtime.

Other mishaps can devastate a business even when it suffers no physical damage: An oil spill miles away hurts a shrimp wholesaler; a manufacturer's assembly line is halted by a volcano eruption preventing deliveries of critical parts; a storm can knock out power—and operability—for a long time.

In such circumstances, the critical business need is cash flow—money to maintain profits, meet payroll and pay suppliers. That income can be restored with a business interruption insurance policy. “It is literally a lifesaver—the difference between a business's survival or its extinction,” says Mary K. Barbieri, CPCU, a nationally known insurance consultant and lecturer. “The wonder



When a disruption strikes, savvy business people know how to protect their companies.

is how few business owners buy such policies.”

To be sure, business interruption policies differ significantly. Some cover losses only when there is physical damage to the business. Others—sometimes called “contingent business interruption” policies—cover disruptions to suppliers or even to customers. “Events that knock out cash flow are the focus of all these policies,” adds Barbieri. “But when looking to buy one—to assure that the coverage meets their particular needs—business owners really need to deal with agents or brokers who know what they’re doing.”

To find one with the prestigious CPCU designation—an assurance of advanced professional training and uncompromising ethical standards—visit www.cpcusociety.org, click “Consumers” and then click “Find an Agent/Broker.”

