

Utilities Services Interruption and Business Interruption Coverage

Protect Your Business from Unforeseen Events

Many TRA members were impacted by Hurricane Beryl and are now examining what coverage might be provided to help due to loss of utilities and/or direct physical damage to their restaurant.

How Business Interruption Coverage Works

Business interruption coverage compensates you for lost income and certain operating expenses if you must vacate your business due to a covered loss.

- Payments typically begin 24 to 72 hours after the loss or after paying a deductible.
- Coverage is provided only if your property is damaged by a risk covered in your policy.
- Commonly covered risks include fire, lightning, windstorms, vandalism, theft, vehicles, aircraft and civil commotion.

Note: Most commercial property policies exclude flood coverage. Check with your agent if your separate flood or windstorm policies include business interruption coverage.

Typically Not Covered: Earthquakes, disease pandemics, terrorism, weather-related evacuations or utility losses not directly resulting from property damage.

Understand Your Policy

- Know what your policy covers and excludes.
- Review policy dollar limits and seek clarification from your agent if needed.

Ensure your business is protected. Talk to your agent about business interruption coverage today.

Contact Us for More Information

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Types of Coverage

Business Income Coverage

- Covers net profit or loss before taxes and continuing normal operating expenses, including payroll.
- Payments are based on previous sales volumes and expenses from financial records.

Extra Expense Coverage

- Covers expenses above normal monthly expenses to restore a business at the original or temporary location.
- Can be purchased alone and might provide sufficient coverage without business interruption coverage.

Contingent Business Interruption Coverage

- Covers lost income due to property loss or damage at a supplier's or customer's location.
- Example: If a florist shop's main supplier suffers fire damage, this coverage compensates for lost income.

Civil Authority Coverage

- Covers loss of income or extra expenses due to government denial of access to your business caused by a covered loss at another location.

Utilities Services Interruption Coverage

- Covers power losses and utility service interruptions resulting from covered events.
- Particularly relevant due to recent power losses from the hurricane in Houston.
- Helps ensure continuity of business operations even during extended power outages.