

Beazley

Hurricane Business Interruption Cover Due to Non Physical Damage

Hurricanes can be devastating to your business even while leaving your property unscathed.



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Hurricane BI Cover
Due to Non Physical
Damage

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An aerial photograph of a hurricane, showing the distinct eye and the surrounding spiral cloud bands. The image is in a monochromatic blue-purple color scheme. The eye is a clear, circular area in the center, surrounded by a dense ring of clouds. The outer bands consist of multiple layers of clouds, creating a textured, swirling appearance. The overall scene is captured from a high altitude, looking down on the storm.

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If your business is in the path of a predicted hurricane you could suffer significant financial loss. But without property damage to your business location there can be no business interruption claim.

Beazley's Hurricane Business Interruption Cover fills this coverage gap, reimbursing lost revenues for your business locations that suffer no property damage due to hurricane threats.

Target market

- Hotels
- Restaurants and bars
- Golf courses
- Furniture stores
- Jewelry stores
- Doctors offices
- Zoos
- Water parks
- Grocery and convenience stores
- Flower shops
- Spas and salons
- Exercise studios and gyms
- Ice cream vendors.

Coverage

Insured peril

The prediction of a named hurricane of category 2 or greater, as determined and reported by the claims verification source during the policy period. Provided, however, that:

- The claims verification source's prediction must conclude that, **within a 48 hour window**:
 - The named **hurricane's center position** as represented by its NHC Track Forecast Cone will track within **one hundred 100 miles** of the business location; with consideration for an accuracy range of no more than 6.9 miles being the certainty of the distance of one decimal point of latitude and longitude; and
 - The business location will be located within the **NHC Track Forecast Cone** for that **named hurricane**.
- Such insured peril results in **no direct physical loss of or damage** to the business location causing necessary **suspension of business** activities at the business location.

NHC Track Forecast Cone

The cone represents the probable track of the center of a hurricane, tropical storm, tropical cyclone, or tropical depression and is formed by enclosing the area swept out by a set of circles along the forecast track at regular temporal intervals.

Further information can be found at:
<http://www.nhc.noaa.gov/aboutcone>

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Case study

With 48 hours prior to landfall, Hurricane Florence was looking like a worst case scenario for Myrtle Beach. A category 4 or 5 storm heading for a direct hit, in September when weekends are still generating revenues from tourists for local restaurants, hotels and attractions. With a state of emergency declared, business owners had no choice but to board up for the weekend and pray for the best outcome. Luckily, those prayers were heard as Florence downgraded as it approached the coast and Myrtle Beach was spared the destruction it thought was imminent just 48 hours prior. Unfortunately though for those business operators, they were now looking at a days and possibly weeks worth of zero revenues before tourists would come back in expected numbers.

With glass and roof intact and roads accessible, property insurers were not responsible for any business interruption losses as there was no physical damage. That's where Hurricane Business Interruption Cover Due to Non Physical Damage coverage filled the gap. With a business location inside a 100 mile radius of the forecasted cone while the storm was a category 2 or above, Beazley's coverage triggered and provided lost business income coverage for up to a 30 day period directly following the storm's arrival.

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