

# BUSINESS INTERRUPTION INSURANCE

## GROSS EARNINGS WORKSHEET (For Use with Gross Earnings for Mercantile, Non-Manufacturing or Manufacturing Risk)

Name of Insured:		Policy Number	
Location(s) of Risk:			
Date:			

		Column 1		Column 2	
		Actual Values for the year ended		* Estimated Values for Year ending	
<b>ALL ENTRIES TO BE ON AN ANNUAL BASIS</b>					
A	Total net sales value of production from manufacturing Operations and total net sales or net revenue from Merchandising or Non-manufacturing Operations.		\$		\$
					\$
B.	Add: Other Earnings (if any) derived from operations				
	1. Cash Discounts Received		\$		\$
	2. Commissions or Rents from Leased Departments		\$		\$
	3. Other		\$		\$
C.	Total ("A" + "B")		\$		\$
D.	Deduct only cost of:			\$	
	1. Raw stock from which production is derived	\$			
	2. Supplies consisting of materials consumed directly in the conversion of raw stock to finished product or in supplying the services sold by the insured	\$		\$	
	3. Merchandise sold including packaging materials	\$		\$	
	4. Services purchased from outsiders (not employees) for resale which do not continue under contract	\$		\$	
	5. Total deductions	\$	\$		\$
E.	GROSS EARNINGS ("C" minus "D")		\$		\$
F.	Co-insurance clause – Take _____ % of "E" per policy – Only if no payroll endorsement				\$
<b>IF POLICY IS TO BE WRITTEN WITH ORDINARY PAYROLL EXCLUSION ENDORSEMENT</b>					
	Deduct from E. above				
G.	All Ordinary Payroll Expense		\$		\$
H.	Business Interruption Basis for Co-insurance ("E" minus "G")		\$		\$
I.	Amount of Insurance Requirement – _____ % of "H" per policy – only if Ordinary Payroll Limited Coverage is written separately				\$
<b>IF POLICY IS TO BE WRITTEN WITH ORDINARY PAYROLL LIMITED COVERAGE INCLUDED</b>					
J.	Ordinary payroll Expense for 90 or 180 days		\$		\$
K.	Business Interruption Basis for Co-insurance ("H" plus "J")		\$		\$
L.	Amount of Insurance – _____ % of "K"				\$

- Note 1: The Co-Insurance Clause always applies to the future (never the PAST)  
 \* Estimate of values to be projected for two years ahead of the year shown in Column 1.
- Note 2: When the Ordinary Payroll Limited Coverage Endorsement is used, the amount to be stated in the Endorsement should be at least 80% of the amount shown under Item J, "column 2" above.
- Note 3: Do not inadvertently enter Cost of Sales as Cost of Raw Stock under "D" above. This item should not include any labor. "Freight in" may be considered as part of the cost of raw stock.
- Note 4: Business Interruption values should be checked at regular intervals and any actual or 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

1.	To obtain annual net sales value of production from Manufacturing Operations, the following procedure is recommended:		
	Set 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		\$
2.	To obtain cost of raw stock, merchandise sold, or supplies consisting of materials consumed, the following procedure is recommended:		
	Inventory at beginning of year		\$
	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"		\$
	Note: adjust for any inventory increase or decrease caused by price fluctuations.		
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.		