



**BUSINESS INCOME & EXTRA EXPENSE WORKSHEET  
RENTAL PROPERTY**

**Insured's Name:** \_\_\_\_\_  
**Type of Property:** \_\_\_\_\_  
**Location(s) Covered:** \_\_\_\_\_  
**Agent / Broker:** \_\_\_\_\_

**PLEASE REFER TO THE NOTES AT THE BOTTOM OF EACH PAGE AS YOU COMPLETE THE WORKSHEET**

The basic purpose of this worksheet is to help you estimate your needed amount of insurance in the event of a major loss. Completion of this worksheet should be a collaboration between you and your accountant. Using your Profit & Loss Statement, your accountant should be able to complete the worksheet with actuals for the most recent 12 month period. You will need to tell him or her your anticipated level of business activity for the upcoming 12 months of the policy period and the effect on the various income and expense numbers. This worksheet must be completed on an accrual basis. Separate worksheets will need to be completed if separate limits of insurance apply per location, division or type of property.

Most Recent 12 Month Period Ending: _____	Income and Expenses	Estimated 12 Month Policy Period Beginning: _____
\$	<b>A. Gross Rents See Note (A)</b>	\$
	<b>B. ADD See Note (B)</b>	
+ \$	Rental Value of the portion of the building you occupy.	+ \$
+ \$	Tenant charges which become yours in the event of a loss	+ \$
+ \$	Miscellaneous income from tenant occupancy	+ \$
+ \$	Other earnings from your business operations: Describe _____	+ \$
= \$	<b>C. EQUALS TOTAL REVENUES</b>	= \$
- \$	<b>D. DEDUCT: Total Cost of Merchandise and Supplies Consumed</b>	- \$
	<b>E. Are you Excluding OR Limiting "Ordinary Payroll" Expenses? If YES, DEDUCT: All "Ordinary Payroll" Expenses See Note (E) If NO, leave blank.</b>	
- \$		- \$
= \$	<b>F. Business Income Exposure for 12 Months (Line C. minus Lines D. and E.)</b>	= \$
<b>G. Period of Restoration: See Note (G)</b>		
Adjust for maximum time to rebuild, repair or replace property damaged by serious loss at an existing location. e.g. 6 months = .5; 9 months = .75; 12 months = 1.00; 18 months = 1.50; 2 years = 2.00. Estimated # of Months = _____ which equates to a factor of _____ <b>Factor G.</b> MULTIPLY Line F. by <b>Factor G.</b>		
		= \$
<b>H. If "Ordinary Payroll" is limited to _____ 90 days or _____ 180 days, ADD BACK largest payroll amount associated with the number of days checked above.</b>		
		+ \$
<b>I. Minimum Amount of Business Income Insurance needed for your estimated Period of Restoration</b>		
		= \$

- (A): Gross Rents: Consider changes in occupancy ratios, changes in rents for expiring leases, and business conditions if rents are a percentage of tenant sales.
- (B): If NOT included in Gross Rents – Tenant Charges could include a portion of tenants' utility charges. If tenants are on a triple net lease, costs are more significant. Miscellaneous might include income from parking, laundry or recreational facilities among others.
- (E): Ordinary Payroll expenses include payroll, employee benefits if directly related to payroll, FICA and Medicare payments, union dues, and Workers Compensation premiums.  
 Some points to consider in deciding whether to exclude or limit Ordinary Payroll ( i.e. *other than* officers, executives, managers and employees under contract):  
 - Would you lay off all your other employees in the event of a short interruption?  
 - Could you get them back when tenantability is restored or would they have gone elsewhere?
- (G): Period of Restoration - Assume the worst possible situation, such as a devastating fire or explosion and the sprinkler system is impaired or there is heavy smoke damage requiring excessive decontamination, OR a catastrophe peril such as a tornado or hurricane occurs and severely damages your property. Your ability to resume normal operations may be impaired by one or more of the following:  
 1. Delays in obtaining Architectural & Engineering Plans, Zoning Variances, Building Permits, or approvals from Certification Boards.  
 2. Climactic conditions that would prohibit or postpone repairs or rebuilding.  
 3. Contractors or others you would depend upon to help you out are loaded with work and have no excess capacity.