



HAYS COMPANIES

Damaged Business Properties & Insurance Claims

Civil unrest can result in property damage, vandalism and stolen or damaged goods. As business owners work to protect or repair their buildings, property insurance may cover costs associated with protection and preservation of property, business interruption and property damage.

PROTECTION AND PRESERVATION OF PROPERTY

Policies may include language that allows for reimbursement for reasonable and necessary costs for actions to temporarily protect or preserve the covered property. Generally, these actions will be evaluated by the insurance company to see if they are reasonable and necessary and in response to actual or imminent physical loss or damage from a covered cause of loss.

This may include the cost of supplies and labor to board up windows and doors or make other adjustments to the property to temporarily protect or preserve it.

Not all forms include coverage for protection and preservation of property. Manuscript policies are more likely to include these provisions than most standard package policies. We suggest reviewing your policy with your broker to evaluate the extent of potential coverage.

BUSINESS INTERRUPTION

Even if your business does not suffer direct physical loss or damage, a protection and preservation of property clause may provide business interruption coverage losses incurred due to reasonable action being taken to temporarily protect and preserve the insured property. Frequently, this coverage is separate from the property damage expenses incurred to temporarily protect or preserve the insured property.

The policy may also respond to business interruption losses suffered due to an order of civil authority that prohibits access to a business and impairs operations. Frequently, the order must be the direct result of physical damage, of the type insured, which occurred at your location or within a stipulated distance from your location.

OCCURRENCES AND DEDUCTIBLES

Generally, property policies consider all loss or damage from the same "occurrence" within the scope of one claim, regardless of the number

of locations involved. As such, there is one limit available, but only one deductible applied. We suggest carefully reviewing your policy to determine how an “occurrence” is defined. Some common definitions include:

- + The sum total of all loss or damage of the type insured arising out of or caused by one discrete event of physical loss or damage
- + All loss or damage attributable directly or indirectly to one cause or a series of similar or related causes.

Other policies provide a specific time window that defines the occurrence, for example, 72 hours. Depending on the policy language, an insured may be able to select when the 72 hour time period begins. We recommend a close review of your policy, as some deductibles apply on a “per location” basis, where a deductible is applied at each location involved rather than all properties involved in the “occurrence.”

If riots or damage occurs in waves over multiple days, there may be multiple occurrences. The facts of each individual loss and policy wording will determine the ultimate outcome.

REPAIRS AND BUILDING SAFETY

If your building sustained damage, we suggest immediately placing your insurance carrier on notice. We recommend completing any emergency repairs necessary to mitigate your losses. However, we suggest deferring any non-emergency demolition or repair work until there is agreement with the adjuster—to avoid potentially jeopardizing your recoverable loss. For the safety of yourself and colleagues, it is suggested to:

- + Not enter the facility that is damaged and potentially unsafe
- + Report gas leaks or downed power lines to your utility company
- + Turn off the electricity if electrical system may be compromised or there is standing water
- + Secure the building from trespassing or weather-related damage
- + Do not alter the condition of the property except for emergency repairs to prevent further damage

NEXT STEPS

Hays Companies is here to help you navigate through your claims questions. Contact your Hays representative today to identify what may qualify for a claim.

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www.hayscompanies.com | info@hayscompanies.com

