

COVID-19

DOCUMENTING A BUSINESS INTERRUPTION LOSS

Timeline of Potential Loss and Type of Loss:

- Prepare and maintain a timeline of impact to business, including impact on revenue, various percentages at capacity, impact to specific customers (including dates, amounts, etc.).
- Keep track of dates of project slowdowns or complete shutdowns.
- Obtain civil authority orders, local or otherwise, of shut down – get copies of signed orders.
- Log and track all impacts to employees and workforce – Lay off, RIFs, working remotely.
- Track key operating statistics, including production and capacity statistics, sales price and rate data, materials cost increases.
- Provide payroll allocations with a separate code regarding paying people without work.
- If possible, find any known individuals that may have been inside the property that contracted COVID-19 (adds strength to physical damage claim).

Loss of Business Income/Loss of Rents:

- Keep track of cancellations (day passes/ongoing memberships).
- In addition to keeping track of cancellations (above on the list), including cancelled or delayed customer/sales orders, delayed events, customer complaints, returns, penalties that the client's business might have incurred, loss of key employees, operating hour impacts.
- Determine if feeder or dependent properties (supplier, customers, attraction properties, that may have had a COVID-19 illness) impacted loss of income.
- Gather and track financial records, including tracking revenues year over year to show impact on loss of business, copies of all contracts for affected customers:
 - Copies of income tax returns for the two years immediately preceding the date of impact
 - Profit and loss statements for two years immediately preceding the date of loss
 - Copies of leases for building and/or equipment
 - Daily sales for the months of the preceding year which corresponds with the period of impact
- Continue to book all depreciation.
- Continue to book corporate office allocations/charges to individual locations to include as continuing expense.
- For Hotel/Motels, keep detailed occupancy records for the two years preceding the loss showing daily, weekly or monthly room/nights rented.

Extra Expense – Extra Expense means reasonable and necessary expenses to avoid or minimize the suspension of business and to continue operations at the described premises, expenses to minimize the suspension of business if you cannot continue operations, and expenses to repair or replace property.

- Copies of all expenses and backup for all expenses incurred to respond or deal with issues related to pandemic (e.g., renting extra space, storage, cleaning costs, increased utility costs, etc.). It is advisable to charge all operational expenses incurred due to COVID-19 situation to a separate general ledger account. Document all costs related to COVID-19 situation, including temporary labor, overtime, spoilage, advertising, protective equipment, IT equipment for remote work contract penalties, other purchases, security, legal fees, transport expenses.