



Business Interruption Insurance

Gross Earnings Insurance Application and Worksheet

(For use with Gross Earnings forms for Mercantile, Non-Manufacturing or Manufacturing Risks)

Policy Number:

Effective Policy Date:

Name of Insured:

Location of Risk:

ALL ENTRIES TO BE ON AN ANNUAL BASIS	COLUMN 1 Actual Values for Year Ended _____	COLUMN 2 Estimated Values for Year Ending _____
A. Total net sales value of production from Manufacturing Operations and total net sales or net revenue from Merchandising or Non-Manufacturing Operations. (Gross sales or gross revenue less discounts, returns, bad accounts and prepaid freight, if included in sales)	\$	\$
B. ADD other earnings (if any) derived from operations of the Business:		
1. Cash Discounts Received	\$	\$
2. Commissions or Rents from Leased Departments	\$	\$
3. Other	\$	\$
C. TOTAL ("A" plus "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 such raw stock into finished stock or in supplying the service(s) sold by the Insured	\$	\$
3. Merchandise sold, including packaging materials therefore	\$	\$
4. Service(s) purchased from outsiders (not employees of the Insured) for resale which do not continue under contract	\$	\$
5. TOTAL DEDUCTIONS	\$	\$
E. GROSS EARNINGS ("C" minus "D")	\$	\$
F. Take 50% or 80% of "E", Column 2, as amount of insurance required, depending upon Co-Insurance Clause to be used (%)		\$
IF INSURANCE IS TO BE WRITTEN WITH ORDINARY PAYROLL EXCLUSION ENDORSEMENT, deduct from "E" above:		
G. All Ordinary Payroll Expense, as defined	\$	\$
H. Business Interruption Basis for Co-Insurance ("E" minus "G")	\$	\$
I. Amount of Insurance – Take 80% of H, Column 2		\$

IF INSURANCE IS TO BE WRITTEN WITH ORDINARY PAYROLL LIMITED COVERAGE ENDORSEMENT, complete the following:

J. Select the largest Ordinary Payroll Expense for consecutive calendar Days (90 or 180 days may be selected)	\$	\$
K. Business Interruption Basis for Co-Insurance ("H" plus "J")	\$	\$
L. Amount of Insurance – Take 80% of K, Column 2		\$

- 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 labour. "Freight in" may be considered as a 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.

Explanatory Notes

1. To obtain annual net sales values of production from Manufacturing Operations, the following procedure is recommended:

Net 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

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.

I may have provided personal information in this document and by other means and I may in the future provide further personal information. Some of this personal information may include, but is not limited to, my credit information and claims history. I authorize my broker or insurance company to collect, use and disclose any of this personal information, subject to the law and to my broker's or insurance company's policy regarding personal information, for the purposes of communicating with me, assessing my application for insurance and underwriting my policies, renewals, changes of coverage, evaluating claims, detecting and preventing fraud, and analyzing business results. I confirm that all individuals whose personal information is contained in this document have authorized that I agree to the above on their behalf.

Date:	Applicant's Signature:	Official Title:
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Broker:

This statement must be signed by Insured if an individual, by a partner if a partnership, or by an officer if corporation.