



EDUCATIONAL BUSINESS INCOME WORKSHEET

Named Insured:
Policy Number:
Date:

Completed By:
Effective Date:

Title:

ALL ENTRIES TO BE ON AN ANNUAL BASIS	Most Recent 12- Month Period Ending:	Estimated 12- Month Policy Period Beginning:
A) INCOME		
1. Tuition (net of non-refundable scholarships and financial aid)	\$	\$
2. Room and Board (dormitory fees and meal contracts)	+ \$	+ \$
3. Laboratory and other fees	+ \$	+ \$
4. Bookstore sales and other retail sales (excl. sales tax)	+ \$	+ \$
5. Ticket Sales (athletic, concerts, and other events)	+ \$	+ \$
6. Research Grants and/or Contracts	+ \$	+ \$
7. Commissions or Rents from others using your Facilities	+ \$	+ \$
8. Rental Income (from leased campus buildings and other investment property if included in policy)	+ \$	+ \$
9. Other Income (do not include donations, fund raising and investment income):	+ \$	+ \$
10. TOTAL ANNUAL GROSS INCOME (Add Lines 1-9)	= \$	= \$
B) EXPENSES AND DEDUCTIONS		
11. Contractual adjustments, bad debts, and collection expenses	- \$	- \$
12. Cost of merchandise sold and material and supplies, consumed directly supplying your services	- \$	- \$
13. Cost of services purchased from outsiders (not your employees) to resell, that does NOT continue under contract. Costs that continue are NOT deducted.	- \$	- \$
14. Are you excluding OR limiting "Ordinary Payroll" expenses? If yes, DEDUCT: All "Ordinary Payroll" expenses. See Footnote (14). If NO, leave blank.	- \$	- \$
15. BUSINESS INCOME EXPOSURE FOR 12 MONTHS	= \$	= \$
C) ADDITIONAL FACTORS		
16. <u>Period of Restoration</u> : See Note (16) below Adjust for maximum time to rebuild, repair or replace property damaged by serious loss at your campus (consider facility that is most vulnerable to causing loss of revenues) or time to move to a new permanent location and resume your normal operations. e.g. 6 months = .5; 9 months = .75; 12 months = 1.00; 18 months = 1.50; 2 years = 2.00 Estimated number of Months = _____ which equals to a factor of _____ Factor 16. MULTIPLY Line 15. by Factor 16.		= \$
17. If " <u>Ordinary Payroll</u> " is limited to _____ 90 days or _____ 180 days, ADD BACK largest payroll amount associated with the number of days checked above.		+ \$
18. Minimum Amount of Business Income Insurance needed for your estimated Period of Restoration		= \$
19. <u>Extended Business Income</u> : Indicate number of months your anticipated reduced income after resuming normal operations: _____ Months. See Footnote (19) ADD amount of estimated reduced income for the number of months indicated above.		+ \$
20. Is <u>Extra Expense</u> to be insured AND included in your Business Income Limit of Insurance? If yes, ADD Extra Expense incurred to avoid or minimize suspension of business and continue operations. (Calculate using Worksheet on page 3). If no, fill in zero.		+ \$
21. YOUR ESTIMATED AMOUNT OF NEEDED BUSINESS INCOME & EXTRA EXPENSE INSURANCE. Do not reduce this amount by the Coinsurance Percentage you select below.		= \$

FOOTNOTES:

- (14): 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 (i.e. other than officers, deans, department heads, full-time faculty and coaches 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 you re-open for business or would they have gone elsewhere?
 - Do you have skilled or specialized personnel?

- (16): Period of Restoration – Assume the worst possible situation, such as 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 and Engineering Plans, Zoning Variances, Building Permits, or approvals from Certification Boards.
 2. Climactic conditions that would prohibit or postpone repairs or rebuilding.
 3. Cause and origins investigations and debris removal can be delayed.
 4. You have unique, specialized, customized or imported machinery or equipment.
 5. The EPA and other regulatory agencies can create delays.

- (19): After you are able to resume normal operations, how long will it take to get back to pre-loss income levels? Consideration should be given to loss of tuition for the following school year.

VALUATION OPTIONS:

COINSURANCE: Business Income is subject to a coinsurance unless Agreed Value option is selected. Coinsurance requires you to carry a minimum amount of insurance. This minimum amount is an agreed upon percentage of your business income exposure for the 12 months following the effective date of your insurance policy. If at the time of loss, the amount of your Business Income limit is less than this amount, the amount we pay for the loss will be reduced. Subject to your amount of insurance, the most we will pay will be in the proportion of your covered loss determined by dividing the Business Income Limit by the minimum amount of insurance you were required to carry.

AGREED VALUE: Is an optional coverage that suspends, but does NOT eliminate the Coinsurance provision. A new worksheet must be submitted at the end of each 12 month policy period. Failure to submit a signed current worksheet will automatically reinstate the Coinsurance Provision for the period going forward.

Consult your agent or broker to help you determine an appropriate Coinsurance percentage to be stated on your policy. One possible method to determine coinsurance percentage is to divide line 18., by the sum of lines 15., and 17., e.g. Line 18. = 8,000,000 Line 15. + 17 = \$10,000,000. $\$8,000,000 \div \$10,000,000 = 80\%$

Your valid options for Coinsurance percentage are shown below. A coinsurance percentage must be selected regardless which option you choose; Coinsurance option or Agreed Value option. Please check which option and coinsurance percentage you desire:

Coinsurance Option:	50%	60%	70%	80%	90%	100%
Agreed Value Option:	50%	60%	70%	80%	90%	100%

DO NOT REDUCE LINE 21. ABOVE BY THE COINSURANCE PERCENTAGE.

EXTRA EXPENSE COVERAGE

Extra Expense Coverage provides additional coverage in the event of a loss for necessary expenses sustained during the period of restoration that you would have not have incurred if there had been no direct physical loss or damage to property. For example, it becomes necessary to contract with an outside food service since your kitchen is non-operational due to a loss or you must rent residential accommodations for your students who have been displaced.

ALL ENTRIES TO BE ON AN ANNUAL BASIS		ACTUAL VALUES OF YEAR ENDED:	ESTIMATED TOTAL VALUE FOR NEXT 12 MONTHS ENDED:
1.	Relocation expenses	\$	\$
2.	Insurance expenses:	\$	\$
3.	Janitorial and Security	\$	\$
4.	Labor, altering, and equipping	\$	\$
5.	Light, power, heat, telephone/data lines	\$	\$
6.	Rent (housing and educational facilities)	\$	\$
Other Additional Expenses			
1.	Bonus for quick services	\$	\$
2.	Laboratory costs	\$	\$
3.	Legal and other professional fees	\$	\$
4.	Overtime labor of employees or additional staff or temporary labor	\$	\$
5.	Public services announcements/advertising/postage expenses	\$	\$
6.	Purchase of goods and materials	\$	\$
7.	Rent or leasing of machinery and equipment	\$	\$
8.	Travel expenses	\$	\$
9.	Other expenses	\$	\$
TOTAL EXTRA EXPENSE TO BE INSURED:		\$	\$

This Business Income Worksheet is offered to assist in establishing adequate business income and extra expense values for insurance purposes. It is not offered as legal, accounting, or professional advice. It is intended as a guide that you can use together with other at your disposal to establish values you wish to insure. Because the steps outlined in this resource rely on information provided by the insurance purchaser, no representation is made with respect to accuracy, adequacy, or suitability of the values established. Philadelphia Insurance Companies will not assume any liability by reason of this information; the values determined using it, or the insurance buying decisions made as a result. You should review with your insurance agent/broker in determining the business income/extra expense values you wish to insure.

COMPLETION OF THIS WORKSHEET DOES NOT GUARANTEE ACCEPTANCE OR AGREEMENT OF ANY TERMS OR CONDITIONS.

SIGNATURES

Applicant Representative:

Name: _____ Title: _____

Signature: _____ Date: _____

Insurance Agency/Brokerage Representative:

Name: _____ Title: _____

Signature: _____ Date: _____