

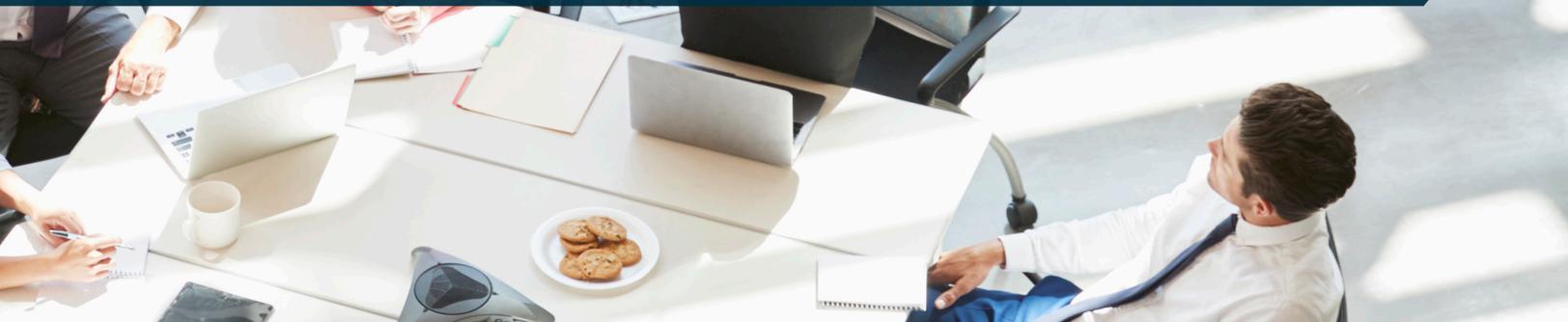
Business Interruption Values (BIV)

The need to update Business Interruption Values (“BIV”) affects both insurers and insureds. Insurers are increasing the demand for BIV reviews and updates as part of the underwriting process due to a perceived disconnect between the values reported and the size of a loss, which can be to the insurers’ detriment. The risk to the insured is under insuring a financial loss for values that are too low, or paying too much premium for values that are overstated.

Imperium can help.

Imperium’s BIV Updates can be tailored to meet a company’s desired risk tolerance and help in decision making in setting coverage limits for annual policy premium. When an insured sets their insurable values too high, they pay more in premiums for coverage they will never use. When BIV are too low, full financial recovery after a loss may not be achieved.

The BIV worksheet captures summary financial statistics and calculates a consolidated BI value for your entire organization. The BIV worksheet assumes a full 12 month shutdown where revenues and variable expenses cease. These worksheets are often prepared inaccurately as insureds may not be familiar with the methodology involved, proficient with the insurance terminology, or experienced with how this information is ultimately used.



BIV worksheets typically do not accurately reflect the true exposure of the organization. Financial amounts that are used in the worksheet may not be accurately adjusted to allocate risk across business units and geographic locations, which play a role in generating revenue for the organization. Further, the analysis and allocations should take into account interdependencies between locations, supply chain issues, and the company's disaster recovery and business continuity plans.

Imperium Consulting Group can help you work through all of your questions related to preparing BIV, including the measurement and preparation of:

- Annual BIV
- Consolidated values by location and business unit
- Average daily values
- Ordinary payroll needs
- Contingent extra expense and business interruption exposures
- Maximum Foreseeable Loss ("MFL")
- Probable Maximum Loss ("PML")
- Property and equipment values

BIV can become complicated, creating unnecessary loss or surprising financial exposures. But they don't need to be.

Imperium Consulting Group is comprised of a multi-disciplined team of forensic accountants, business interruption experts, industry specialists and other professionals. We provide sound strategies to help clients manage the cost of risk through pre-loss advice and post-event economic loss measurement.

For more information, please email info@imperiumCG.com or visit our website at www.imperiumCG.com

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About Imperium

Imperium Consulting Group, LLC, is a specialized advisory business that works with clients to better manage commercial risks as well as resolve complex claims and disputes. Employing a multi-disciplined approach with engineers, forensic schedulers and accountants, Imperium has vast expertise in construction, project auditing, government contracts and commercial contract disputes. Imperium also provides insurance claims preparation services and recovery strategies related to Builder's risk, property damage, business interruption, surety, subcontractor default, and delay-in-start-up. www.imperiumCG.com