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Securing Your Hotel’s Financial Future

Understanding Business Interruption Insurance

What is Business Interruption Insurance?

Business Interruption (BI) insurance protects your income if your hotel cannot operate due to a covered loss. It typically covers the loss of income and the continuing operating expenses a business incurs when it is unable to operate, or operates at a reduced capacity, due to a covered physical loss or damage to insured property. It is the coverage that keeps your business financially stable while you recover.

Reviewing Your BI Insurance Matters

BI is one of the most commonly misunderstood areas of insurance. Without a proper review, limits may be too low, coverage gaps may exist, the indemnity period may be insufficient Many businesses are unknowingly underinsured by an average of 40%-60%

What Happens in a Claim if Coverage is Inadequate?

Inadequate BI coverage can result in:

- Reduced claim payments due to coinsurance penalties
- Coverage running out before recovery is complete
- Uninsured exposures such as payroll or extended downtime
- Even small gaps can have a significant financial impact.

Insuring to Full Value

BI insurance requires your business to be insured to its full exposure, not just an estimated loss.
If limits are too low claims can be reduced, even if the loss itself is below your policy limit. Proper limits are essential to avoid penalties and ensure full recovery.

The Bottom Line

Business Interruption insurance determines whether your business can recover from a loss.
A proper valuation provides clarity, confidence, and protection when it matters most.

Roper Valuation & Insurance Advisors ensures your BI coverage reflects your business accurately. We review your financial statements, align your operations with policy wording, and identify gaps in limits, indemnity periods, and coverage. Keeping your finances supported through a claim.

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