

INSURANCE

Most businesses will have insurance which covers physical damage to the insured property known commonly as material damage insurance.

As a starting point, you should notify your insurer of your claim as soon as possible. Become familiar with your insurance policy and your claims obligations.

It is good practice to take photographs and/or retain damaged property as evidence of any damage that has been sustained. Further, you may wish to collate any information concerning the damaged property as it may assist the insurer to deal with your claim swiftly.

If your property is in need of urgent repair, it is sensible to contact your insurer and request authority before you or a third party carries out such work.

The key is to remain open and honest with your insurer and check with them before you repair or alter any aspect of your damaged property.

A number of businesses may have business interruption insurance which covers the income the business would have earned had it not suffered any damage it sustained as a result of the earthquake. The main insurance component is usually the business's anticipated gross profit. In order to calculate anticipated gross profit it will often be necessary to engage professional advisers to assist in quantifying a claim. This should be carried out in consultation with the insurer's loss adjusters.

Business interruption insurance may also cover the costs involved in leasing temporary premises, fixed costs incurred whilst the business remains closed, extra expenses to continue operations, employees' lost wages and claim preparation costs.

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