STATE-SPONSORED
BUSINESS INTERRUPTION INSURANCE
A SMALL BUSINESS RESPONSE TO THE SPREAD OF COVID-19

With the spread of COVID-19 and the severe economic impact that is occurring, SBAM is committed to looking for new and innovative ways to help business owners survive.

Business Interruption Insurance (BII) is a type of insurance that covers the loss of income that a business suffers after a disaster. Currently many businesses here in Michigan do have BII policies, none cover pandemics, viruses, or government action. This is where the state can help.

What if we utilized this traditional Business Interruption Insurance infrastructure to process claims paid by the state (perhaps by the Michigan Strategic Fund). This funding would be available for at least any business that the state ordered directly to close down or scale back. So once a business is forced to close by the state, they would apply for funds through the Strategic Fund modeled by the traditional claim process Business Interruption Insurance goes through, as summarized below:

Types of documentation required to submit a business interruption claim;

1. Complete copy of the federal income tax returns (Form 1120S) for the corporation for 2018 and 2019.
2. Annual profit and loss statements for the years ended December 31, 2018, and 2019.
3. Monthly profit and loss statements for the period January 2019 through the present.
4. Current list of orders or parties cancelled, and list a food that is destroyed due to closure (for bars, restaurants, etc.)
5. List of all employees kept on the payroll
6. Detailed list (with documentation such as purchase invoices, receipts, payroll records, etc.) of the extra costs incurred due to the Governor's forced shutdown.
7. Detailed depreciation schedule