



## 🔥 IncomeGuard – BI Premium Identification Cheat Sheet

### *How to Determine the Correct 0–12 Month Business Interruption Premium*

#### ◆ Why This Matters

IncomeGuard must rate the **full BI exposure** charged by the primary carrier.  
 Many insurers package or hide BI premium in different sections of the policy.  
 Use this cheat sheet to ensure you **capture all BI-related premiums correctly**.

**Some primary policies allocate a portion of Earthquake or Flood premium to Business Interruption (often for rental income).**

#### What to do:

- Include the BI premium shown on the dec page
- Plus any BI premium embedded in EQ/Flood rating
- Enter that combined amount into the Primary BI Premium field

**This ensures IncomeGuard rates the full BI exposure correctly.**

COVERAGES	TIV	RATE	PREMIUM
Building	\$5,000,000	0.5	\$25,000
Earthquake Included	<b>\$5,500,000</b>	<b>0.08</b>	<b>\$4,400</b>
Flood Included	<b>\$5,500,000</b>	<b>0.01</b>	<b>\$550</b>
SBU	<b>\$5,500,000</b>	<b>0.01</b>	<b>\$550</b>
Rent up to 12 months	\$500,000	0.5	\$2,500

**\$500,000 @ 0.08 = \$400**

**\$500,000 @ 0.01 = \$50**

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**For IncomeGuard quoting the broker needs to calculate the Business Interruption portion of the premium for Earthquake, Flood and SBU (where relevant) and include that portion of the premium disclosed to generate a quote (RED)**

## ■ QUICK REFERENCE TABLE

Scenario	How Some Carriers Show BI	Broker Action Required	Why It Matters
■ <b>1. One Blanket Premium</b>	One combined premium for property + BI	■ <b>Request a full premium breakdown</b> from Underwriting (must isolate BI 0–12 months)	■ IncomeGuard cannot rate without a true BI amount
■ <b>2. Renewal Terms Only Show Extended Indemnity</b>	Renewal quote shows BI for 18/24/36 months	■ <b>Ask for 2 versions:</b> current limits <b>and</b> a <b>12-month BI</b> quote	■ Provides a clean BI number for IncomeGuard
■ <b>3. BI Hidden in “Extension Packages”</b>	BI bundled with miscellaneous extensions	■ Ask for <b>“as-is”</b> quote + <b>12-month BI indemnity</b> version to isolate BI	■ Separates BI from non-BI extension charges
■ <b>4. BI Embedded in EQ / Flood / SBU Premiums</b>	BI (e.g., rental income) included inside EQ/Flood/SBU limits under Property	■ Confirm if BI is included; calculate BI’s share of EQ/Flood/SBU premium and <b>include it</b>	■ These BI portions <b>MUST</b> be included in the 0–12-month BI premium
■ <b>5. Multiple BI Types</b>	Gross Earnings, Rental Income, Profits listed separately	■ <b>Add all BI components</b> charged for the first 12 months	■ Ensures full BI exposure is captured
■ <b>6. Unclear or Complex Dec Pages</b>	BI listed in multiple places or not clearly identified	■ Request <b>rating worksheet</b> or premium allocation summary	■ Rating sheets provide definitive BI allocation
■ <b>7. MGA / Coverholder Formats</b>	MGAs vary widely; BI may be blended	■ Ask for confirmation of <b>BI 0–12 months</b> and BI share of EQ/Flood, if any	■ MGAs use non-standard formats—clarification avoids errors

## ☀️ RULE-OF-THUMB

■ **Always include *all* BI-related premium charged for the first 12 months, including portions embedded in:**

- ■ Earthquake
- ■ Flood
- ■ Sewer Backup (SBU)
- ■ Extension Packages
- ■ Combined Limits (e.g., Building + Rental Income)

If BI is included anywhere in the rated limits, **that BI portion must be included in the IncomeGuard BI premium input.**