

## **COMMERCIAL PROPERTY CLAIMS GUIDELINES**

### **Quick Reference for Adjusters**

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#### **COMMERCIAL VS. RESIDENTIAL DIFFERENCES**

##### **KEY DISTINCTIONS:**

###### **COVERAGE AMOUNTS:**

- Commercial policies typically 2-3x residential limits
- Business interruption coverage unique to commercial
- Equipment breakdown coverage often included
- Liability limits much higher

###### **PROCESSING REQUIREMENTS:**

- All commercial claims require manager review
  - Business financial records must be reviewed
  - Lease agreements must be obtained
  - Business licenses verified
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#### **BUSINESS INTERRUPTION CLAIMS**

###### **COVERAGE TRIGGERS:**

- Physical damage to insured property
- Inability to operate business
- Revenue loss documented
- Ongoing expenses during closure

#### **DOCUMENTATION REQUIRED:**

- Previous year's tax returns
- Profit & loss statements (last 12 months)
- Current year-to-date financials
- Payroll records
- Accounts payable/receivable
- Lease/mortgage statements

#### **CALCULATION METHOD:**

1. Establish baseline revenue (average monthly)
2. Calculate actual revenue during closure
3. Determine net income loss
4. Add continuing expenses (rent, utilities, payroll)
5. Subtract expenses saved during closure

#### **TYPICAL TIMELINES:**

- Small business (< 10 employees): 2-4 weeks
  - Medium business (10-50 employees): 1-3 months
  - Large business (50+ employees): 3-6 months
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#### **EQUIPMENT AND INVENTORY CLAIMS**

##### **SPECIALIZED EQUIPMENT:**

- Requires expert valuation
- Replacement cost vs. actual cash value
- Age and condition documented
- Maintenance records reviewed

**INVENTORY LOSS:**

- Physical count required (if possible)
  - Purchase invoices for verification
  - Sales records for volume verification
  - Perishable vs. non-perishable categorization
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**APPROVAL AUTHORITY LEVELS**

**COMMERCIAL CLAIMS REQUIRE HIGHER AUTHORITY:**

SUPERVISOR: Up to \$100,000

MANAGER: \$100,000 - \$500,000

DIRECTOR: \$500,000 - \$1,000,000

VP: Over \$1,000,000

All commercial claims over \$250,000 require:

- Independent adjuster review
  - Certified public accountant review (for BI claims)
  - Attorney review of contracts
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