

Business Expense Insurance Program

How it Works for Small Businesses





ABC's insurance agent obtains quotes from several P&C insurers, which are required to offer this business interruption cover to small businesses.



ABC selects

compensation or

business owners'

pandemic business

interruption cover

premium for the

coverage, which is

a small percentage

more than its

typical annual insurance expense.

a workers

policy with

included.

ABC pays an

affordable





A pandemic meets CDC medical criteria and U.S. HHS and the President declares an emergency.

Governor of state where ABC operates orders a shutdown of non-essential businesses.

After a 14-day
waiting period
following a
declaration,
ABC's insurer
sends the company
an accelerated
payment based

ABC has needed liquidity in a time of crisis to survive and keep people employed.

on a multiple of

its three-month

payroll expenses.

Government funds 100% of excess layer up to \$500 billion.

SECOND LAYER

Government funds balance of claims up to industry limit of \$250 billion.

Insurers pay 6% of first-dollar claims up to industry limit of \$15 billion.

FIRST LAYER

Government funds 100% of excess layer up to \$500 billion.

SECOND LAYER



of \$250 billion.

Insurers' share of first-dollar claims

first-dollar claims payments grows annually to \$30 billion, or 12% of industry limit of \$250 billion.

FIRST LAYER

YEAR 20

YEAR 1

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