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Is Your Business Income & Extra Expense Coverage Enough?

by Michael Labadorf, CPCU, Executive Vice President

When disaster strikes, your ability to recover quickly depends on the strength of your insurance coverage. Most camp policies include Business Income and Extra Expense under one combined limit—but is that limit truly sufficient?

Understanding the Coverage

- Business Income Coverage reimburses lost profits and ongoing expenses during a partial or total shutdown caused by a covered property loss.
- Extra Expense Coverage pays for costs above normal operating expenses that are necessary to keep your business running after a loss.

Coverage typically continues for a reasonable time for rebuilding—even if that extends beyond the policy's expiration. The insurer with your input will advise the date coverage ceases.

The Dining Hall Scenario

Imagine your dining hall is destroyed by fire just before camp opens. Rebuilding isn't immediate. You'll need to:

- Clear the site
- Develop architectural plans
- Bid the job
- Secure permits
- Work around seasonal limitations (e.g., no construction during camp or winter months)

Depending on timing, location, and local building codes, you may be unable to rebuild for two or even three summers.

What Would It Take to Stay Open?

To operate without a dining hall, you'll need:

- A large tent with tables and chairs
- Emergency kitchen setup
- Temporary coolers and freezers
- Additional staffing and logistics

These are extra expenses—and they add up quickly.

Is Your Limit Enough?

This is a critical question. We recommend mapping out a worst-case scenario and estimating the costs to stay operational until full reconstruction is complete.

We're Here to Help

Let's walk through the numbers together. We'll help you evaluate your current limits and determine what's truly needed to protect your camp's future. Contact our office today to schedule a coverage review. We'll help you assess your Business Income & Extra Expense limits and ensure your camp is prepared for even the most challenging recovery scenarios.

Have Questions? Need a Camp insurance quote?

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