surisk

COMMERCIAL INSURANCE / EXECUTIVE REPORT

The plant can stop without building damage.

Connecting production dependencies, interruption questions and a practical recovery record.

A production interruption is an operating story before it becomes an insurance question. Learn how to map a critical dependency, test recovery assumptions and bring a more complete picture to your adviser.

A CLEARER RECORD. A BETTER CONVERSATION.

Understand — Review — Decide — Follow through

For manufacturing owners, finance leaders, plant managers and supply-chain teams.

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EXECUTIVE SUMMARY

Start with the production dependency.

A building schedule does not explain everything the business needs to keep making and delivering its product.

The operating picture is wider than the premises

Production relies on a connected sequence: energy, water, raw materials, people, equipment, controls, transport and customers. Management may know these dependencies well, but the insurance record can describe them unevenly. A useful review begins by tracing one important process and identifying what would prevent it from operating. This is an exercise in understanding the business, not predicting a particular loss.

The key question is not simply whether the company has business-interruption insurance. It is how the actual circumstances of a selected interruption relate to the issued wording. Damage location, cause, timing, relevant interests and policy conditions may matter. A dependency map gives the adviser concrete facts to review and helps management recognize where an answer is still uncertain.

An executive decision, shared across teams

Finance should explain the economic consequence of lost output. Operations should describe the physical process and realistic recovery steps. Procurement and supply-chain staff should identify alternatives and practical constraints. The adviser can then connect that operating picture to specific insurance questions. None of these contributors should be expected to supply the complete answer alone.

This report proposes a focused method: select one dependency, build a realistic interruption sequence, review the relevant terms and agree an action record. The outcome might include insurance changes, operational improvements, further investigation or an informed decision to retain risk. Treat those as distinct decisions.

> Ask what must work for production to continue, then examine one dependency in enough detail to support a useful decision.

01 / MAP THE DEPENDENCY

Look beyond the most expensive machine.

A low-cost input can become a high-consequence bottleneck when there is no practical substitute.

Follow the output backward

Choose an important product or customer commitment. Identify the process steps required to deliver it and the inputs each step needs. Record the location, owner and operational contact for each dependency. Include external suppliers and utilities where they matter. The exercise should reveal the sequence of work, rather than produce a long inventory with no connection to the finished output.

For each dependency, ask what makes replacement difficult. A substitute may exist but require qualification, tooling, transport, testing, customer approval or a changed production method. A spare may be available but not installed. Record these practical constraints as operating facts or assumptions to verify. Avoid presenting an optimistic purchasing lead time as the whole recovery period.

Separate importance from recoverability

Management often knows which equipment is critical, but the time needed to restore useful output can remain unclear. Consider the difference between receiving a replacement component, completing installation, restarting the line and returning to normal quality and capacity. Each milestone may depend on a different team or outside party. Give each assumption an owner who can explain its basis.

Review concentration as well. Two production lines may share a utility, control system, supplier or specialist technician. A portfolio of machines does not necessarily create independent recovery options. The map should make shared dependencies visible without claiming they will fail together. This supports both a more focused continuity conversation and a more accurate description for insurance review. Update the map when capacity, sourcing or customer commitments change.

> Describe how the business restores useful output, not only how it replaces damaged property.

02 / ASK THE COVERAGE QUESTION

Match a scenario to the actual wording.

The label on a coverage section is the beginning of a review, not its conclusion.

Make the scenario specific

Describe the assumed event, its location, the affected property and the resulting interruption. Identify which facts are known and which are deliberately hypothetical. This gives the adviser a coherent question to examine. Asking whether 'supplier problems are covered' is much less useful than describing a defined dependency and the event that prevents it from supplying the plant.

Travelers describes dependent-property business-income protection as an addition that may be available for disruptions involving key suppliers. That general explanation does not establish that a manufacturer's policy contains it or that every supply interruption qualifies. Ask the adviser to identify the applicable form, location requirements, causes, limits and other conditions in the actual program. [1]

Keep the review organized

Use the following categories as prompts, not a statement that every policy has the same provisions. An unanswered item should retain an owner and a next step. Where a question requires specialist or insurer input, preserve the question as asked and the response received.

Review dimension	Question for the actual program
Trigger and location	What event and affected property must be established?
Time and amount	What timing provisions, limits or sublimits apply?
Dependency and interest	How is this supplier, utility or customer relationship addressed?
Recovery and records	Which expenses and evidence should the team discuss?

> An open coverage question is useful when it is specific, source-linked and assigned for resolution.

03 / CONNECT FINANCE AND RECOVERY

Build a recovery story finance can test.

The operating timeline and the financial timeline should describe the same interruption.

Agree the assumptions before calculating

Ask operations to describe the expected sequence from interruption through useful output. Finance can then examine revenue timing, continuing costs, saved costs and proposed mitigation. Keep the baseline and the assumptions visible. A simple model that everyone understands is more useful than a precise-looking total built on incompatible estimates.

Distinguish physical restoration from commercial recovery. Equipment may be working before orders, output or customer demand return to their earlier pattern. Travelers explains that business-income and extended-business-income provisions can address different periods, subject to the policy. Use that distinction to frame questions about the actual wording rather than applying a generic number of days. [2]

Record decisions made during disruption

A temporary production arrangement may involve overtime, outsourced work, expedited freight, substitute materials or a different operating site. Before a real incident, identify who would approve those choices and where the supporting records would be kept. During an incident, preserve the business reason, date, supplier and cost. The adviser and claim professional can explain what is relevant to the particular insurance process.

Do not treat every reasonable recovery expense as insured. Equally, do not dismiss a cost before reviewing potentially relevant wording. The management task is to make sensible operating decisions with the information available and preserve an intelligible record. The insurance task is to evaluate the applicable terms and facts. Connecting those tasks helps the business ask better questions without making the operational team responsible for a coverage determination.

> Keep operational assumptions, financial estimates and insurance questions connected, while preserving their different purposes.

04 / SYNTHETIC CASE

A specialist supplier interrupts the line.

A worked scenario connecting production dependencies, recovery decisions and insurance questions.

The dependency that was easy to overlook

A manufacturer produces components for several commercial customers. One finishing step is performed by a specialist supplier. The manufacturer owns substantial equipment, yet the supplier's process has no immediately qualified substitute. Management's property schedule is detailed. Its insurance submission describes the supplier relationship only in broad terms. A planning exercise asks what would happen if the supplier could not operate after a hypothetical property loss.

Procurement identifies a potential alternative, but the production team explains that trial runs and customer approval would be needed. Finance separates the effect on current orders from the cost of finding and qualifying another source. The exercise reveals several assumptions that need verification. It does not establish the probability of a disruption or prove that the existing insurance is inadequate.

Turning the scenario into a decision

The adviser receives the dependency map, proposed timeline and relevant policy documents. Questions are recorded about the supplier's location, the assumed cause of damage, applicable terms and the treatment of proposed recovery expenses. Management assigns owners to the operational facts while the adviser seeks any necessary clarification. The team keeps uncertain answers visible instead of replacing them with a reassuring summary.

The final action record might include qualifying another supplier, improving the information supplied at renewal, evaluating an available insurance option or accepting a defined uncertainty. Those are separate decisions with different costs. The continuing record explains why each was chosen and when the assumptions should be revisited. The value of the exercise is an informed discussion across finance, operations and insurance, supported by a specific operating story.

> The most useful finding may be an untested recovery assumption, even before the insurance question is resolved.

05 / THE ADVISORY PROCESS

Review one scenario, then expand carefully.

A manageable review should produce decisions the organization can actually implement.

Prepare a bounded working session

Select one line, process or dependency with a clear business owner. Agree the purpose of the review and the documents needed. Include finance and operations from the start; add procurement, IT, maintenance or another specialist when the scenario requires them. Avoid trying to map the whole enterprise in a first meeting. A narrow scope makes assumptions and next steps easier to assess.

During the session, separate facts, estimates and questions. Give each unresolved point an owner and explain the evidence needed to close it. Ask the adviser to distinguish existing wording, possible options and matters requiring further input. The resulting record should be understandable to the people who will carry out the recommendations, not only to the people who attended the meeting.

Maintain the work between renewals

Revisit the scenario when the business adds equipment, changes suppliers, expands capacity, takes on a new customer requirement or modifies its recovery plan. These changes can alter the operating picture even when the building is unchanged. A continuing service relationship should connect those facts to the next review rather than forcing the business to reconstruct them during renewal.

Measure whether the process improves the quality and availability of information. Useful indicators include unresolved questions with no owner, assumptions awaiting verification and time spent rebuilding an interrupted-work record. Evaluate administrative effort as well as apparent completeness. A longer form is not necessarily a better review. Technology can support continuity, but the value comes from accurate facts, professional judgment and management decisions that remain visible over time.

> Use the first scenario to establish a working method, then repeat it where the business has meaningful dependencies.

06 / YOUR NEXT CONVERSATION

Bring the people who know the process.

A useful interruption review combines operational knowledge with financial and insurance judgment.

Questions for management

Which process would be hardest to replace, and why? What evidence supports the proposed recovery time? Which substitutes have actually been tested? Where do two lines share the same dependency? What would prevent a restored machine from producing saleable output? Ask these questions before deciding how much confidence to place in a recovery estimate.

Finance should explain which records could support the business's understanding of interrupted output and continuing costs. Operations should identify who would record decisions, preserve evidence and communicate changes during disruption. Agree who can approve temporary arrangements and who would speak with the adviser and claim professional. Clear responsibility reduces the need to invent a communication process during an already difficult event.

Questions for the adviser

Which parts of this scenario can be reviewed against the present program? Where does the wording require more specific facts? Are the relevant dependencies identified in the way the policy requires? What options should management consider, and what trade-offs accompany them? How should the business preserve a record of unresolved questions and the decisions it makes?

A Surisk Risk Evaluation can begin with this bounded scenario and produce a prioritized review agenda. Free Risk Dashboard access provides another starting point for exploring a more connected insurance record. The next step should match the business's readiness: organize the facts, ask for advice, or examine an existing decision.

> One well-understood dependency is a stronger starting point than an unexplained list of every possible disruption.

SOURCES / YOUR NEXT STEP

Put the questions to work.

Choose one production dependency that management would struggle to replace quickly. Bring its operating facts and the relevant insurance documents to a focused review. The first useful outcome is a clearer question and an agreed next step, rather than an assumed answer about coverage.

> Get a second opinion on your insurance, or begin with free Risk Dashboard access.
> Choose the starting point that suits your business.

Get a Second Opinion

Get Dashboard Access

Sources and reading notes

[1] Travelers — Business Income & Extra Expense

Explains dependent-property coverage as a possible addition; availability and terms vary.

[2] Travelers — Understanding Business Income Coverage

Background on restoration periods, continuing expenses and supporting records.

[3] NAIC — Business Interruption / Businessowner's Policies

General explanation of business-interruption insurance; not a review of a particular contract.

About this report

Prepared November 2026. Surisk analysis and worked scenarios for commercial insurance decisions. Sources reviewed November 6, 2026. Use the frameworks to connect operating facts, policy wording and questions for your adviser.