

WHEN THE STORM **HITS**

**THE REAL COST OF
BUSINESS INTERRUPTION**
A MODERN MANAGEMENT **FIELD GUIDE**

DANIELLE M. GARDINER, CPA, CFF
Chief Forensics Officer



AMPCUSFORENSICS

INTRODUCTION

WHEN DISASTER STRIKES,

businesses don't just lose buildings. They lose time. Teams. Customers. And cash flow. In truth, it's not the fire, flood, hack or bad batch that breaks them. It's actually everything that comes after.

Insurance is meant to bring order to that chaos. But when it comes to Business Interruption (BI) claims, speed alone isn't enough for resolution.

There's three things I've learned in 25+ years of forensic accounting about these situations:

1. Claims aren't just about physical damage—they're about the ripple effects on things like revenue, payroll, inventory, and supply chains
2. Recovery requires strong documentation and expert analysis to resolve
3. People and circumstances matter just as much as the numbers do

If insurers move too fast, they risk overpaying, missing fraud, or making errors. If they work too slow, trust disappears. Lawsuits follow. Costs climb.

These are the real costs of a BI claim. But there's a better way to manage them: **Move fast by moving smart.** It's a fine line where forensic expertise and smart tools can make all the difference.

This white paper offers **a practical look** into how to manage BI claims during catastrophes, **reviews 7 ways** where things often go wrong, **explores tell-tale signs of fraud** and shows how to **use technology** for faster decision-making. I hope you find it helpful.



Danielle M. Gardiner

Danielle M. Gardiner
Chief Forensic Officer
Ampcus Forensics



THE PRESSURE COOKER

In 2022, Hurricane Ian struck Florida.

As of March 2025, 591 BI claims had landed on adjusters' desks. Each one needed proof. Not just of physical damage—but of how the business was meant to run, if the disaster hadn't happened.

This is the hard part.

Insurers feel pressure to settle fast and move on. But when they do, mistakes can happen: paying too much, paying the wrong party, missing signs of fraud. The solution isn't speed or accuracy. It's both. And that starts with the right experts and the right tools.

This is how the work begins.

Because you're not just working with spreadsheets. You're dealing with trauma. Broken systems. Gaps in records. Public pressure. Hope. Fear.

All of this opens the door to overpayments, missed red flags and future disputes.

**This is the pressure
cooker of managing
BI claims.**

7 WAYS CLAIMS GO SIDEWAYS

The nuance of business interruption

BI claims ask one simple question: “What would have happened if the disaster never hit?”

Yet answering this **“but for the loss”** scenario is anything but simple.

Here are seven common traps you CAN avoid:

#1 Inventory Confusion

Lost inventory? But maybe it's covered under a Stock Throughput Policy or valued at Selling Price. If this gets missed, it can lead to double payments or denied claims. In high-volume CAT situations, inventory valuations are often accepted at face value.



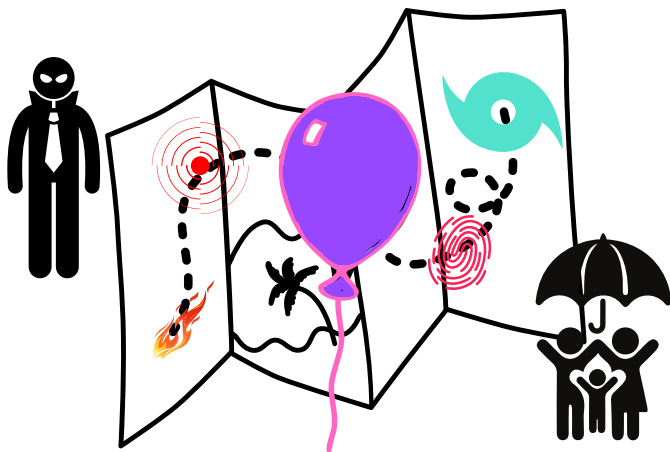
FORENSIC INSIGHT

Danielle Gardiner, CPA, CFF
Chief Forensics Officer:

“Accepting inventory at face value is a mistake. You’ve got to check the coverage, check the math, and check the ratios. I have seen grossly overstated inventory values and, if not vetted, the result is a material overpayment.”

#2 Payroll Problems

After a disaster, payroll patterns shift. Was the team working? Furloughed? Paid by FEMA? Is there coverage? The answer matters. Misclassifying payroll can cause the claim to balloon.



#3 Location vs. Region

BI typically covers your property—not the region. A general slowdown isn't enough.

It's critical to connect losses to actual damage, which means identifying:

- Direct physical damage
- Specific civil authority actions affecting the insured location
- Proven operational disruptions due to utility loss, access blockage, or facility downtime

In these cases, economic fear isn't covered. Facts are.

#4 Pretty P&Ls vs. Honest Tax Returns

Ever seen a validation mismatch?

Businesses sometimes give their best-case (read: optimistic) numbers. But the IRS has the truth. When the P&L and the tax return don't match, it's imperative to blow the whistle and review both sets of data.



FORENSIC INSIGHT

Danielle Gardiner, CPA, CFF
Chief Forensics Officer:

Tax filings are sworn statements to the government. They can identify seasonal trends, operational anomalies, or manipulation attempts. It's really hard to lie on those and get away with it, but people still try.

#5 Teams Not Talking

THE BI TEAM AND THE PROPERTY TEAM OFTEN WORK SEPARATELY. THAT'S A PROBLEM. IF ONE SAYS REPAIRS TOOK THREE WEEKS AND THE OTHER SAYS SIX, THE CLAIM DOESN'T HOLD.

BI INDEMNITY PERIODS MUST REFLECT REAL-WORLD CONDITIONS, NOT ESTIMATES. COORDINATED, WEEKLY TEAM CHECK-INS AND SHARED DATA DASHBOARDS CAN ENHANCE COMMUNICATION AND ENSURE ALIGNMENT AND ACCURACY.



The Consistency Checklist:

Build a timeline for Repair, Restoration & Resumption of business

#6 Payroll That Doesn't Belong



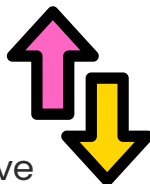
Policies often contain Ordinary Payroll clauses, **but after a short time, Ordinary Payroll is excluded.** Claims teams often make the mistake of including salaries for non-contributing employees or misinterpret the definition of "ordinary" when rushing to quantify the claim.

That's not just a mistake that can distort the insured's true loss picture, but **it's a violation of the policy.**

#7 Blaming The Supplier

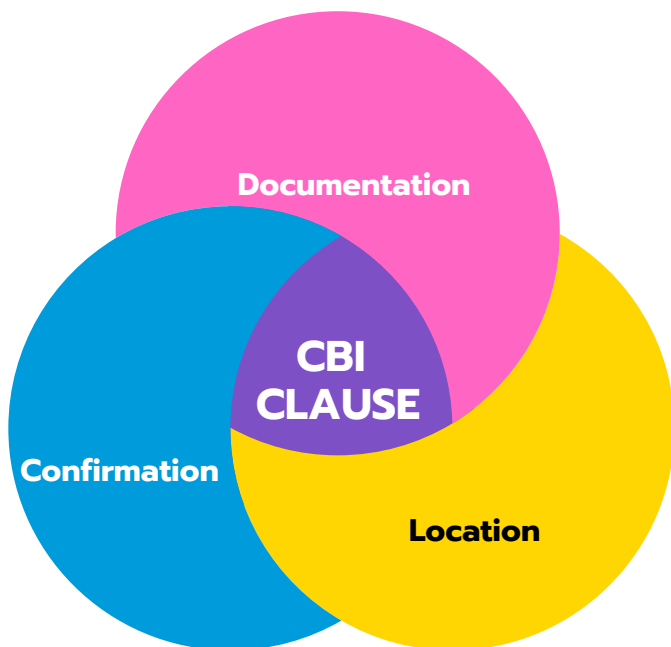
Are your suppliers or customers out of service?

This scenario is not always covered—unless there's a specific Contingent Business Interruption (CBI) clause.



You need:

- Contractual documentation to prove the relationship
- Location of the triggering event
- Confirmation both the supplier and customer were impacted by the same insured peril



WHEN FRAUD WEARS A SUIT

Understanding the Nature of

Inflationary Claims

Fraud in BI claims doesn't always look like lies. Sometimes, it wears a spreadsheet and a smile. It's not fake receipts—it's inflated hope.

What to Watch For:

- **Revenue** that grows post-disaster
- **Claims** from unaffected locations
- **Falsified** Contracts (written yesterday, dated months back)
- **Property** loss expenses included in BI
- **Numbers** that feel too perfect or manipulated

**People rarely fake paper anymore.
They fake assumptions.**

And Inflation Isn't *JUST* for Prices...

Inflation can creep in when people assume longer recovery times or base losses on **fear instead of facts**.

Blending interviews, behavioral insights, third-party data checks – along with detailed document reviews – can help separate fact from fiction.

These claims thrive in catastrophe zones. Insureds, often subconsciously, inflate losses based on:

- Assumed recovery periods
- Broader economic conditions
- Psychological stress or exaggerated expectations

As **forensic accountants**, this is why it's imperative to test everything:

- Third-party data
- Past performance
- Behavior patterns
- Document integrity

FORENSIC INSIGHT



Danielle Gardiner, CPA, CFF
Chief Forensics Officer:

"Inflation in BI claims isn't always dishonest. But we can't let emotion become evidence. To stay grounded, I lean into industry benchmarks, automated red flag alerts and multi-year trend lines. I believe the truth is found where feelings and facts diverge."

What Do I KNOW?

People Trust People.



se#lement

In the last 25 years, I've helped settle thousands of BI claims—including **The Camp Fire** and **Super Storm Sandy**, 9/11 terrorism claims and product recall disasters, along with multiple **Gulf Coast** and **Caribbean** storms.

And every single number I've ever seen alongside these incredibly complex claims is **ALWAYS** part of a larger story. Each one is a narrative – with people at the center.

IF YOU KNOW ME, YOU KNOW I LOVE A GOOD BOOK. SO WHEN I'M ASKED HOW I DESCRIBE MY FORENSIC ACCOUNTING METHODOLOGY, I TAKE THEM THROUGH WHAT I CALL "THE PLOT:"

PEOPLE: IT ALL STARTS HERE. I CONDUCT STRUCTURED INTAKE INTERVIEWS TO GET TO THE TRUTH.

LIABILITY: I THEN REVIEW THE RELEVANT ECONOMIC MODELS TO TEST ANY AND ALL “WHAT IFS.”

OPTIONS: AFTER THAT, I CROSS-REFERENCE ANY AND ALL AVAILABLE DATA (TAX, BANKING, OPERATIONS) TO HELP FILL IN THE BIGGER PICTURE.

THREADS: I GO BACK AND REVIEW MY INTERVIEWS AND LOOK FOR CONNECTIONS WHERE SPREADSHEETS OFTEN CAN'T.

This work is **NOT** guessing. It's investigative. It's a search for proof. Why?

Because the truth about business interruption doesn't live in a single Excel file. It lives in patterns. In confirmation. In the layers of corroboration. In people.

These are the little things no one notices—except really, really good forensic accountants.

SMART TECH FOR TOUGH CLAIMS

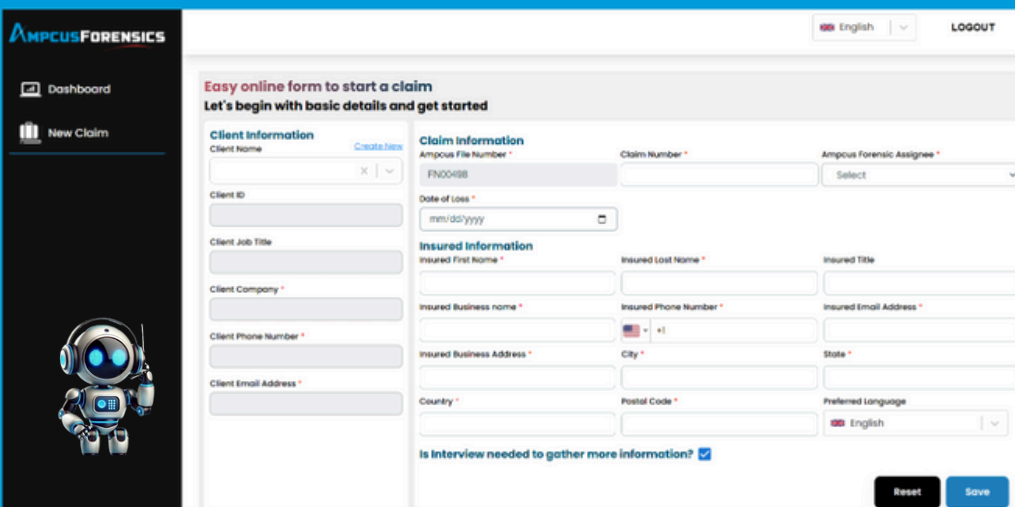
The Case for Proprietary Workflow Integration

Tech should never slow you down. **It should light the path forward.**

At Ampcus Forensics, we built a system that combines our in-house expertise with sharp tools. We call it ELI - and here's what it does:

- **OCR:** Reads scanned tax returns, P&Ls, invoices—fast and clean
- **Chatbot interviews:** Gathers facts from insureds with no delays, no confusion
- **Live dashboards:** Show claim status, red flags, and collaboration notes
- **Dynamic modeling:** Lets teams simulate, update, and align in real time

And coming soon: An avatar-guided insured experience. Personal. Streamlined. Human.



AMPCUSFORENSICS English LOGOUT

Dashboard New Claim

Easy online form to start a claim
Let's begin with basic details and get started

Client Information [Create New](#)

Client Name

Client ID

Client Job Title

Client Company

Client Phone Number

Client Email Address

Claim Information

Ampcus File Number

Claim Number

Date of Loss

Insured Information

Insured First Name

Insured Last Name

Insured Phone Number

Insured Business Address

Country

Postal Code

Insured Title

Insured Email Address

State

Preferred Language

Is Interview needed to gather more information? ☒

Reset Save

THE PLAYBOOK:

HOW TO WIN IN CHAOS

If you only takeaway **one thing** from this white paper... make it these **eight things** :)

- 1. BRING IN FORENSIC EXPERTS EARLY – ESPECIALLY ON BIG CLAIMS**
- 2. SYNC THE PROPERTY AND BI TEAMS WEEKLY**
- 3. USE STRUCTURED, DIGITAL INTAKE FORMS**
- 4. CROSS-CHECK P&LS AGAINST TAX FILINGS**
- 5. LOOK FOR DOUBLE COVERAGE WITH INVENTORY AND STP**
- 6. USE RATIOS TO VALIDATE INVENTORY REASONABLENESS**
- 7. BENCHMARK LOSSES AGAINST AVAILABLE REAL-WORLD NORMS**
- 8. FLAG SUSPICIOUS CLAIMS EARLY—DIG DEEPER WHEN NEEDED**



FORENSIC INSIGHT

Danielle Gardiner, CPA, CFF
Chief Forensics Officer:

This isn't theory. It's muscle memory. Forged in the fire of real catastrophe zones where real lives and economic futures are at stake.

FINAL THOUGHTS

When disaster hits, people need hope. They need answers. And they need their insurance to work.

BI claims can be messy, confusing and emotional, and to manage them, you can't rely on instincts, or pressure or guesswork.

You **MUST** rely on experience, structure and tools that work.

The team at Ampcus Forensics doesn't just analyze numbers. We bring order to chaos. We turn noise into signal. And we help insurers do what matters:

Act fast. Act right. And make it count.

SOURCES:

- **RISK AND INSURANCE**
 - [SANDY: ONE YEAR LATER](#) | [ANNE FREEDMAN](#)
- **ASSOCIATION OF CERTIFIED FRAUD EXAMINERS**
 - [THE 6 MOST COMMON BEHAVIORAL RED FLAGS OF FRAUD](#) | ACFE STAFF
- **INSURANCE ADVOCATE**
 - [IDENTIFYING INSURANCE FRAUD](#) | [BARRY ZALMA](#)
- **FLORIDA OFFICE OF INSURANCE REGULATION**
 - [CATASTROPHE CLAIMS DATA & REPORTING](#) | STAFF



DANIELLE M. GARDINER, CPA, CFF
Chief Forensics Officer
Providence, RI | [LinkedIn](#)



JOSEPH SCARLATO, MBA, CFE
EVP, Global Technical Lead
Washington, DC | [LinkedIn](#)



CARLOS A. RIVERA, CFE, MAcc
Senior Vice President
Miami, FL | [LinkedIn](#)



GRANT MIZEL, MBA, CFE
Senior Manager,
Forensic Accountant
Washington, DC | [LinkedIn](#)



CHRISTOPHER T. CERRINA, CFE
Forensic Accountant
Atlanta, GA | [LinkedIn](#)

WHO WE ARE

Ampcus Forensics is a boutique forensic accounting practice that offers clients decades of experience, white-glove service and AI automation solutions to resolve claims fast and keep business moving forward.

From complex litigation matters to fraudulent insurance claims, our client-centric approach and tailored service experience includes:



Business Interruption



Fraud Investigations



Litigation Support



Fee Fund Accounting



TPA Portfolio Review



Risk Management Consulting

We serve global clients across multiple industries, with specialties in Energy, Healthcare, Hospitality, Insurance, Manufacturing, Mining, Nonprofits, Oil & Gas, Renewables, Retail, Technology and Utilities.

Learn more at www.ampcusforensics.com