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Struck by Lightning: How Businesses Can Become More Resilient – Triple-I and LPI

NEW YORK, April 29, 2024 – Fires resulting from lightning strikes cause 3% to 5% of all U.S. commercial property insurance claims, accounting for billions annually in covered payouts to small and medium-sized businesses (SMBs), according to the [Insurance Information Institute](#) (Triple-I) and the [Lightning Protection Institute](#) (LPI).

“A lightning strike can have a significant impact on a business - especially a small business,” said Tim Harger, executive director, LPI. “The potential consequences, such as business interruption, loss of revenue, and damage to reputation, can be devastating. By taking proactive measures to protect their operations, small businesses can safeguard their livelihoods and ensure long-term success.”

Harger noted that while lightning fires cause structural damage, what’s even more costly is damaged inventory, production downtime, and loss of revenue during repairs. “The investment in a lightning protection system can prevent business interruption,” he said.

National Small Business Week (April 28-May 4, 2024) is a good time to highlight the importance of properly designed, installed, inspected and certified lightning protection and grounding systems that can mitigate this risk to SMBs. The system’s installation should be accompanied by the business’ purchase of the right types and amounts of insurance, Triple-I and LPI agree.

According to the U.S. Small Business Administration (SBA), 40% of small businesses nationwide do not reopen following a natural disaster, and another 25% fail within a year.

“Insurance allows businesses to recover economically from a lightning strike,” said Sean Kevelighan CEO, Triple-I. “That’s why we recommend policyholders take advantage of tools that help predict and prevent losses from occurring.”

Triple-I and LPI offer these five steps to protecting a commercial property from damage caused by a lightning strike:

1. **Install a certified lightning protection system** – These systems provide a specified path to harness and safely ground the super-charged current of a lightning bolt. Because every building is unique, building owners should take risk factors into consideration, including location, frequency of thunderstorms, and impact to their businesses such as loss of services and revenue. Properly installed lightning protection systems include utilizing a certified lightning protection contractor and a third-party inspection program.
2. **Secure surge protection** – Proper selection and installation of surge protection devices can protect electrical and electronic equipment from lightning and other surges that can enter a building through the electric, telephone, data, or other wires from outside. Surge protection alone does not protect against the damage of a direct lightning strike. Installing a complete lightning protection system which includes surge suppression will protect a business from the impact of lightning.
3. **Purchase Property Insurance** – Property insurance coverage pays to repair or replace stolen, lost, or damaged business property. It covers your business’s structure and other assets on its premises, like equipment.
4. **Consider Business Income (Interruption) Coverage** – If your business is forced to close temporarily due to direct physical loss or damage to your property from a covered cause of loss, such as a fire or a windstorm, business income (interruption) insurance can help you replace lost net income during the period of restoration that you would have earned if no physical loss or damage had occurred, pay for continuing normal operating expenses, including payroll, relocation expenses, and advertising if you set up shop at a temporary site. Also consider utility services interruption coverage as an endorsement, which covers your business from interruption of electric, gas or water.

“Business owners, by their very nature, are risk takers. And that’s a good thing. After all, that’s how they became so successful. But smart entrepreneurs recognize that business insurance is an essential element of an overall business plan,” Kevelighan concluded.

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