

Protecting Your Small Business

As an owner or potential owner of a small business, you have many important decisions to make about your operations, and insuring your business and protecting your assets is one of the most crucial.

This informational brochure is designed to help you develop an insurance program that will protect you and your small business from the many risks you face in your daily operations.

No Matter What Size

No matter how large or small your business, you face liability, which means that your business could be held accountable when someone else suffers an injury or damage to their property because of something your business did or did not do. General Liability insurance includes:

- **Bodily Injury**—Bodily injury includes sickness, disease or death sustained by a person or persons.
- **Property Damage**—Property damage includes physical damage to someone else's property and loss of use of the damaged property.
- **Personal Injury or Advertising Injury**—Personal injury refers to harm to another person's or business's reputation or basic rights, such as the right to privacy. Advertising injury refers to harm caused by an advertisement, such as an ad slandering a competitor.
- **Products and Completed Operations Injury**—Product coverage is extended to any harm that a business's products might cause, including injury arising from "completed operations" such as repair work or electrical installations.

Carefully consider limits that are sufficient to cover the type of work you are doing, the product you are selling and the amount of interaction you have with the public.

Safeguarding Your Property

Like a standard homeowners policy, most business or commercial insurance policies cover both real and personal property. Real property includes your land and buildings. Some policies cover the main building but not additional sheds, fences and other structures. Some may exclude trees, outside signs and glass. Personal property that belongs to the business such as inventory, equipment, furniture, machinery and the like are usually covered.

Coverage can be provided on an "Actual Cash Value" or "Replacement Cost" basis, and can be as broad as "All Risk" or as simple as "Named Perils." A deductible will usually apply to each loss and can be as low as \$250.

Additional types of coverage that can be purchased include boiler and machinery, loss of business income, peak season coverage, valuable papers and records, inland marine coverages for property used off premises and bailees coverage for someone else's property in your custody.

In fact, because no two businesses are exactly alike, business policies are designed to be tailored for you. Your independent insurance agent can help you prepare an inventory and determine what coverages and limits you will need.





Special Needs

Where your business is located and the scope of your operations can determine if you may need specialty coverages such as flood, earthquake, umbrella liability and international property or liability.

Protecting Yourself And Your Employees

You will want to provide coverage for your employees in the event of a job-related injury or an illness attributed to the workplace. Required by law in most states, workers compensation coverage provides your employees payment of medical bills and lost wages should they be injured or become ill in the course of their employment, regardless of how the injury or illness occurs. In most states, coverage is also available for you, as the owner of the business. Remember it is important that you comply with the law and provide the best possible protection for your employees.

Vehicles Used In Your Business

Whether your business owns one car or a fleet of trucks, automobile insurance protects your business for damage caused to other people or property by your vehicle, as well as damage to your own vehicle.

Commercial policies on vehicles used in business share some traits with auto policies on vehicles for personal use and add a few more elements. Both commercial and personal auto insurance cover liability, medical payments, uninsured motorist coverage, and comprehensive and collision. A policy covering a vehicle used in business also may cover your employees when they are operating their personal cars for your business.