

SMALL BUSINESS INSURANCE BASICS: 10 THINGS YOU NEED TO KNOW NOW

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When you hear the words "business insurance," you might think this only applies to large, established businesses.



But in fact, this is an important topic for any sized business - from the largest corporations to the smallest, one-person operation and everything in between.

Whether you're simply in the beginning stages of getting a business idea up and running, or already own an established business, it's important to know a few basic things about how business insurance works, and what kinds you might need. Here are a few tips to get you started - or to provide you with a quick review.

1. Property Insurance - understand what it covers

Property insurance covers not only the physical structure which houses and your business, but also the contents inside the structure. This could include equipment, office furniture and even inventory.

2. Liability Insurance is a must

No one likes to think about it, but getting sued is always a possibility for a business, regardless of its size. Having the proper amount of liability insurance is of the utmost importance. Liability insurance can help with expenses if your business is sued, but it can also help pay for expenses if anyone is injured due to a faulty product or service.

3. Worker's Comp - check your countries requirements

If your business has employees, it's very possible that you'll need worker's compensation insurance. If anyone is injured on the job while working for you, worker's compensation insurance will help pay for the medical expenses. Most countries require worker's comp for all sized businesses, but be sure to check your countries requirements to be sure that you get the proper type - and amount - of

coverage.

4. Errors & Omissions

E&O Insurance is similar to Liability Insurance, but it is specifically for professional services businesses. This type of insurance can cover expenses that may be incurred due to accusations of negligence, or the failure to perform your professional services. Even if you haven't.

5. Got employees? Consider EPLI

Employment Practices Liability Insurance applies to situations where businesses are sued for things such as discrimination, sexual harassment, or wrongful termination. At one time, these topics were only of concern to larger companies, but in today's environment, businesses of all sizes can be subject to these types of suits. If your business has employees, it's wise to consider adding EPLI coverage to your Business Owner's Policy.

6. Is Key Employee/person Insurance worth your while?

Many times, the success of a business relies on the involvement of specific employees. If one of those employees were to pass away unexpectedly, their absence could affect the profitability of the business. The beneficiary of a key employee policy is the business itself. Key Employee policies can often be requested by lenders, to meet certain credit requirements.

7. Cyber Liability Insurance is gaining in popularity

More and more business is being transacted online. And more and more data are being stored in "the cloud," allowing for ease of access and reducing the need for companies to invest in storage or storage facilities. However, as more business is transacted electronically, the more that information is opened up to theft and hacking. Cyber Liability Insurance will help protect businesses if they experience a data breach; it will

help cover costs ranging from legal expenses to public relations expenses.

8. Directors & Officers Liability Insurance is NOT the same as E&O

As the name implies, D&O insurance specifically protects the directors and officers of a company. D&O insurance protects the business, and sometimes the directors and officers themselves, in the event of legal action brought for alleged wrongful acts. This type of coverage is definitely worth investigating further.

9. Don't forget about the car!

If you have vehicles that are owned by your business, and are used exclusively for running your business, they won't be covered by personal car insurance; a separate business auto insurance policy is needed. There are many types of coverage available, and auto insurance can sometimes be bundled into your Business Owner's Policy. However, individual plans can be more easily customized.

10. Consider a BOP

A Business Owner's Policy can be a great way to bundle common types of business insurance into one handy policy. BOPs are customizable, and can save you money since there are multiple types of coverage combined into one policy. Purchasing a BOP can also simplify the insurance process, since you'll have just one policy, one renewal date, and one premium payment to deal with. While combining policies can be extremely convenient, it should only be done if you can truly have all of your insurance needs met by one product. If your business is of an unusual nature, or you have specific insurance needs, it might be best to still consider individual policies. Working with a trusted insurance agent or broker will help you ensure you're getting all of your business insurance needs taken care of.