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## **Introductory guide to small business insurance from J.M. Whitney Insurance, Inc. - by Curtis Whitney**

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Small businesses now make up the largest group of employers in the U.S. and most Americans work for a small business. As a small business owner you will need to safeguard your assets and your livelihood from potential losses by purchasing Business Insurance. Leading insurance carriers offer a variety of insurance products designed to meet your business' unique needs and protect you from a potential financial loss.

When considering what types of insurance policies your business needs, it can quickly become very confusing to keep the terms straight. An easy way around this dilemma is to work with an experienced independent insurance agent. Your agent can guide you on what types of insurance you may need for your business, whether it is property, liability, automobile or workers compensation.

**Property Insurance:** The profitability of your business is important to you and having insurance to protect your against loss or damage to your business' property or loss of income is of the utmost importance.

A small business insurance policy includes a broad collection of coverages to protect you from a wide range of losses. These losses include damages to your building or structure, or to personal property. A policy can be tailored to cover all of your equipment, including computer hardware and software, plus your valuable records.

What if your business is unable to operate because of interruption of service? Or damage to a critical piece of machinery?

A properly written policy will include loss of income that might result form breakdowns as well as loss of income from other hazards that would temporarily close down your business. Business owners' policy may include business income and extra express coverage, which covers your business from potential losses of income. Without this coverage there is no replacement for income that has been lost because of sustained damage to your business.

**General Liability Insurance:** A business owner's policy includes general liability insurance. General liability coverage insures against the payment of damages and legal defense that your business may incur due to liability legally imposed upon your business because of the negligence of the business or its employees including common risks such as customer injuries on your premises or from your completed operations, or from products you sell.

**Commercial Auto Insurance:** If your business owns or uses motor vehicles, or mobile equipment that is required by your state to be insured for minimum financial responsibility, then you need a commercial auto policy. Commercial Auto coverage insures against property damage to vehicles you own or hire, and against liability for bodily injury and property damage caused to others by your

use of the insured vehicles. It is important to know the difference between a personal automobile policy and a commercial automobile policy. Your personal automobile policy usually does NOT cover vehicles used in the operation of your business.

**Workers Compensation Insurance:** If your business has employees, workers compensation insurance will be mandatory. Workers compensation insurance covers you for an employee's on-the-job injuries. Workers compensation is an exclusive remedy system in which employers participate that provides payment to the injured employee for medical bills and compensation for on-the-job injuries, in return for a statutory prohibition against the employee suing their employer for those on-the-job injuries.

**Property:** The property used in your business such as the structure you do business in, the contents or the equipment used in your business need to be protected. Property policies pay for the loss or damage to your property.

**Liability:** No one is perfect, your business may make a mistake and, especially if your business is open to the public, there is always the chance your business will be held liable for an injury or error to a customer, visitor or bystander. Liability policies can provide a legal defense to you in case of a claim or lawsuit against you, and help protect you from financial loss from paying damages as a result of being held liable for an error or injury resulting from your business.

**Employees:** At the heart of every business are its people. You and your employees are your business' greatest assets and must be protected. Employees are protected by workers compensation policies, health and life insurance policies.

**Business Interruption:** Without income, the business does not survive. In the event of a catastrophe, business interruption coverage can provide income or allow your business to be set up in a temporary location to earn income. Business income and extra expense coverage, can protect you from loss of income due to an unforeseen event.

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