

Insuring your in-home business

An estimated 43 million Americans operate full- and part-time businesses from their homes. The home-based business represents a substantial investment of time, money and property. Yet many business owners do not have the coverage necessary to protect themselves and their businesses.

Is my in-home business covered under my homeowners policy?

Not sufficiently. Many homeowners' policies provide only a limited amount of coverage for business-related exposures. Depending on your policy, your homeowners insurance may cover your business, but probably only to a maximum of \$2,500 for business equipment in the home and \$250 for equipment away from the premises. Stolen business credit cards, a power surge causing the loss of important computer data and a lawsuit over a business related matter are not covered.



How can I get the most appropriate coverage for my home business?

There are three ways. First, you may be able to add a home business endorsement to your existing homeowner's policy. Coverage generally includes business property coverage; business liability, including product, personal injury and advertising liability; loss of business income protection; valuable papers coverage; and accounts receivable.

Second, you can purchase several individual business insurance policies to provide the various coverages you need, such as business property, general liability and business income insurance.

Third, you can purchase a business owners package policy designed for smaller businesses, which combines the necessary property and liability insurance coverages you need in a single policy.

I run a day-care service in my home. Does my homeowner's liability insurance extend to my business?

No. Care providers must purchase liability insurance specifically for their business. You can, at any time, be held liable for injuries that are proven to be the result of events that occurred while the child was in your care. An occurrence policy will cover you at anytime in the future should you be held liable for a child's injury. You also may get coverage for children's injuries that do not fall under liability.

Accidental/medical insurance will cover injuries that are not due to negligence on the part of the provider.

What other types of insurance should I consider for my business?

If you use an automobile for your business activities, be sure that your automobile insurance will protect you from accidents which may occur on business-related errands. You may need to purchase a separate business auto insurance policy depending on your type of business and the kind of vehicle you own.

You'll also need health insurance to cover medical costs if you become ill or injured and disability insurance in case you become unable to work because of sickness or injury. Also, you may want to consider a small group insurance program if you have employees.

If you hire an employee, you may need to buy workers' compensation insurance in the event that the employee is hurt on the job and needs medical treatment and income. Under certain state-specific circumstances, workers' compensation insurance also may extend coverage to you in case you are injured at work.



Be sure that your in-home business is properly and adequately insured. Our agency can help you get the most appropriate coverage for your home business.

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