

ADDITIONAL INSURANCE

What is additional business insurance and what does it do?

In addition to state and local government required business insurance there are a host of other industry and vertical specific insurance that may or may be required based on the profession and or state and local regulations.

How does additional business insurance help build business credibility?

Additional insurance protects not only the consumer by ensuring that the business they are dealing with has met all of the insurance requirements for their location and industry, but it also sends a signal to the market that they are up to date with their liability protection for their company, staff, vehicles, and more . Trust and transparency are exponentially increased when a business shares their additional insurance with a prospect or consumer and everyone wins.

Types of Business Insurance

There are many types of additional business insurance that a typical business may need to protect their business and their customers. Obtaining and sharing proof of all of the necessary and recommended insurance is a business best practice and can build trust and show a commitment to transparency to amplify credibility with the consumer.

1. General liability Insurance

Every company needs general liability insurance. Third-party bodily injury, third-party property damage, and advertising injury are all covered under this policy (accusations of libel, slander, copyright infringement, etc.). The amount of coverage required is determined by the type of business, its size, assets, and corporate structure.

2. Commercial Property Insurance

A company may have commercial property insurance to protect itself against loss of business or personal property. This form of business insurance typically covers storm, fire, theft, or vandalism damage to the building and any inventory or equipment within it.

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Types of Business Insurance Continued

3. Business Interruption Insurance

If your company's property is damaged and needs to be repaired, it can be quite inconvenient. If you are unable to remain open while repairs are being made, business interruption insurance can help cover financial losses. It can pay for your employees' salaries, taxes, operational expenses, debt payments, and, in some cases, the cost of a temporary location. If the business interruption insurance can keep your project on track, this can have a cascading effect on the customer.

4. Professional Liability Insurance

If the company provides professional advice or is in charge of project completion, such as a doctor, lawyer, or architect, they must have professional liability insurance, often known as errors and omissions insurance. This coverage can protect them and your company if you are accused of (or were accused of) negligence, missing deadlines, undelivered services, or a violation of nondisclosure or copyright agreements. Malpractice insurance is a type of professional liability insurance that is often required of doctors and other professionals.

5. Workers' Compensation Insurance

If the company hires employees, they are legally obligated in most states to acquire workers' compensation insurance. Workers' compensation protects both the company and its employees if they are hurt or become ill at work. This insurance can cover an employee's medical expenses as well as lost pay while they recover.

6. Commercial Umbrella Insurance

It may be more cost-effective for a small business to obtain an umbrella policy rather than increase the limits of an existing policy with their insurance company. An umbrella policy may also cover business risks that are not covered by the existing policy. For example, if the general liability policy limitations are exhausted, umbrella insurance can jump in to cover whatever is left.

7. Commercial Auto Insurance

Is the business model based on vehicles? Does the company perform deliveries or house visits? If you use a car, truck, or other vehicle for business purposes, your company will require commercial auto insurance.

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Types of Business Insurance Continued

8. Cyber Liability Insurance

If the company suffers a data breach and customer data is accessed or stolen, cyber liability insurance can:

- Notify those who are affected.
- Give them credit monitoring services.
- If needed, cover the cost of informing the public.
- Some insurers refer to this as data breach insurance. This type of insurance is required for anyone who saves client information electronically.

9. Product Liability Insurance

If a company manufactures or sells any kind of product, they may be held accountable if that product injures somebody, damages their property, or causes them to become ill. If the company is sued, product liability insurance can help pay for the medical bills, replacement of the item, court fees, and settlement costs that come with it.