






Understanding Your Insurance Program and Needs

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The Nucleus of Your Business




- › You have made the investment of time, energy and money – insurance will protect the investment
- › Cost of business insurance is worth the investment
- › Several types of insurance are available depending on the products or services your business offers
- › Insurance is even more important if the owner has employees working for them or if vehicles are being used
- › Without it, a loss can cause you to lose your business and your personal assets



Who is Subject to Liability?



- › Many business owners believe they have to be in a commercial environment to be subject to business law suits
- › Others believe if they have no assets or profit they are not subject to judgments or garnishments
- › Judgments may require a business owner relinquish their home or car—bank accounts can be frozen



Determining Insurance Needs 


How do businesses determine their insurance needs?

- » Workers Compensation is mandatory if employees are involved
- » Health Insurance is optional but is an attractive tool for drawing qualified help
- » Disability insurance is necessary for the owner and employees
- » Retirement/401k is also another consideration




Coverages Applicable to Your Business 

- » Workers' Compensation
 - Providing payments to workers involved in a specific job-related injury without regard to a finding of negligence of either party
 - Laws were enacted so the employees would not have to go through lawsuits and possibly not recover due to the employer's advantageous financial strength
 - Payments are specifically exempt from taxation
- » Property/Business Personal Property Coverage
 - Covers damage and theft of personal property belonging to the insured
 - Coverage for office equipment, food carts, linen, catering equipment, floral, audio visual equipment
 - Coverage for the building(s) you may own
 - Coverage for computer equipment

Coverages Applicable to Your Business 

- » General Liability
 - Protection for third-party bodily injury and third-party property damage
 - Protection for injuries incurred by someone as the result of using a product manufactured or distributed by a business
 - Protection for injuries incurred by someone in the general operation of a business
 - Host Liquor Liability
- » Auto/Hired and Non-Owned Liability
 - Coverage in the event an insured is legally liable for bodily injury or property damage by an auto
 - Protection for the employer when an employee uses their own vehicle, borrowed or a rented vehicle for work (running errands, sales call)
 - Coverage in the event an insured's auto is damaged, destroyed or lost


Coverages Applicable to Your Business 

» **Crime/Fidelity**

- Employee Dishonesty coverage (loss due to employee theft)
- Third party coverage would include a situation where an employee steals from a third party, not their employer (i.e. a client's property)
- Coverage can include: Forgery, Theft of Money and Securities, Extortion, Computer Fraud and more

» **Umbrella**

- Provides liability protection in excess of standard liability exposures for the following underlying coverages:
 - Auto Liability
 - General Liability
 - Employers' Liability

Other Coverages to Consider 

» **Employment Practices**


- Covers lawsuits brought by employees (past, present, or prospective) against the employer alleging wrongful termination, discrimination, or certain types of harassment
 - An employee sues you for not placing them at a higher wage due to their religion

» **Fiduciary**


- Protects plan sponsors and trustees from the defense and penalties if they are sued for fiduciary decisions they make for an employee benefit plan
 - Your employees sue you relative to their 401k performing poorly

» **Directors & Officers**

- Insures corporate directors, alleging financial loss arising from mismanagement and officers against claims most often by stockholders and employees
 - A director or officer of a company commits a negligent act or misleading statement and a libel suit is brought against the company. Policy provides coverage for liability if they are sued individually

How Can You Save Money? 

- » Try to bundle as many coverages with the same insurance company
- » Engage the services of an insurance broker who has access to many insurance companies
- » Keep a safe environment which will help reduce claims experience
- » Look for groups/associations which have specialized programs



Policies Available to Your Clients 

» Private Event Insurance

- Business Event Liability or Wedding Insurance
 - Covers the business or client and the venue where the event is being held
 - Covers physical damage to the facility
 - Bodily injury to a guest due to an accident
 - Host Liquor—any alcohol related activities