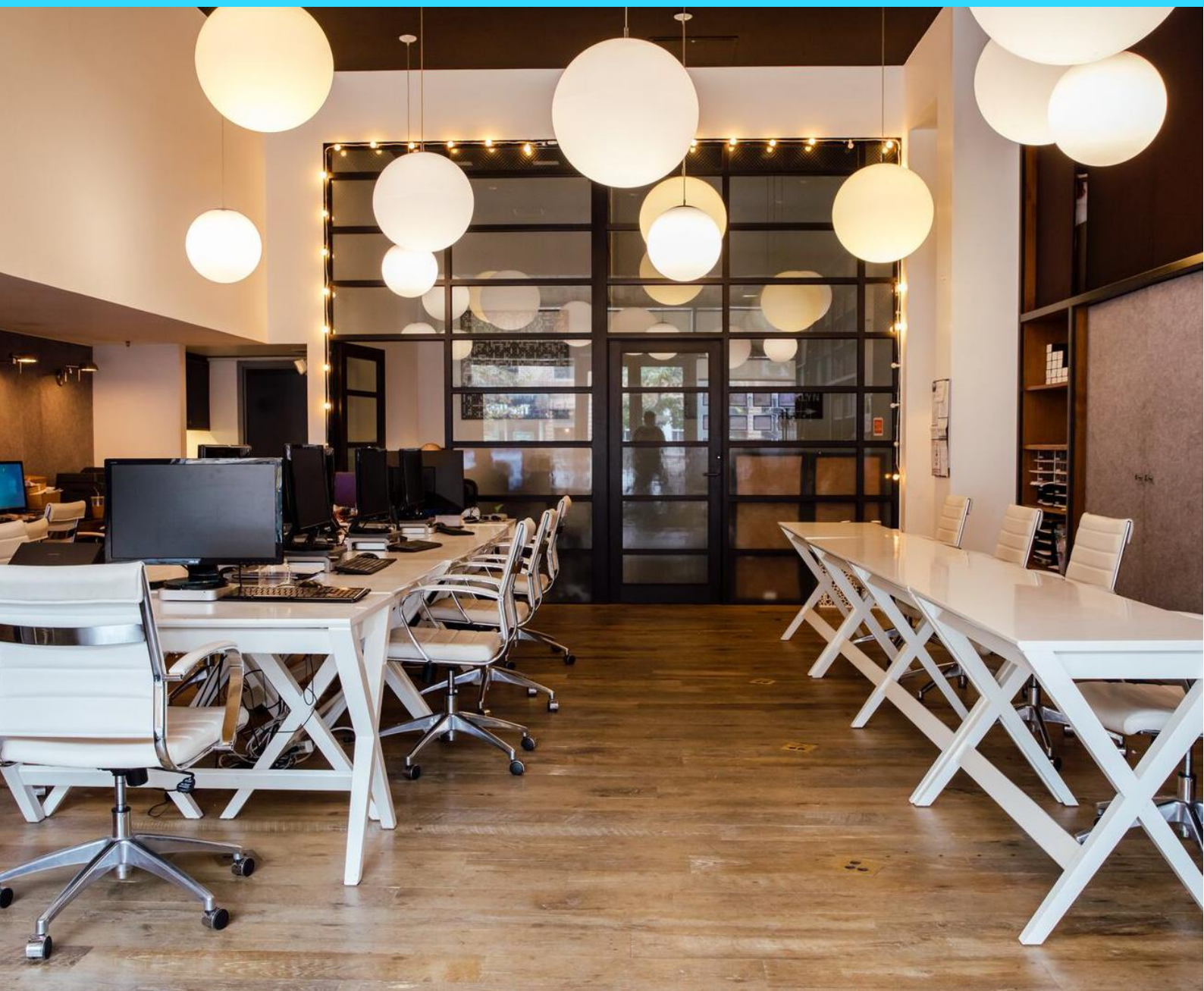
BUSINESS INSURANCE 101

Everything you need to know to make sure your small business is covered in case of accidents, mistakes, and other claims.



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Insurance and Your Small Business

What is it and why do I need it?

The idea behind small business insurance is simple: it helps protect you and your company from claims that would otherwise impact your financials, and ultimately the success of your business.

Accidents and claims happen—and business insurance makes sure they don't stop you in your tracks and offers you the peace of mind you need to focus on growing.

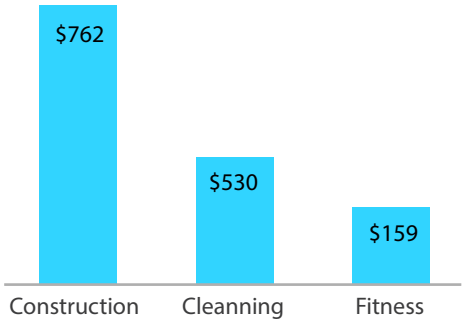
There are lots of factors that go into determine how much coverage you'll need. For example, your industry, the number of employees you have, and where you are located are all taken into account when assessing what your policy need are and how much it will cost.

Our best advice? Find a policy that is tailored to your business and easy to navigate, so that you get exactly what you need without overpaying for what you don't.

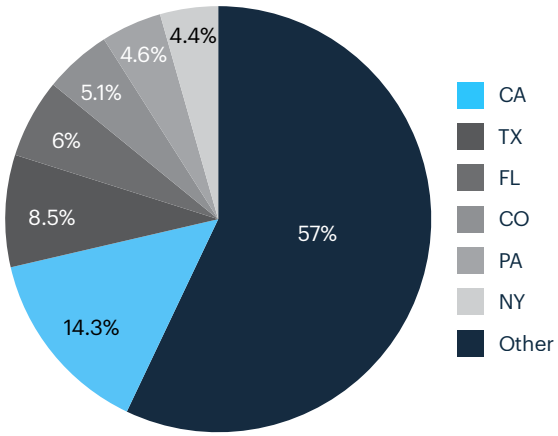
This is simple than it might sound, with the help of an insurance provider and some basic knowledge, of course! In this report, we'll walk you through the different types of insurance, what they cover, and the industries most likely to require them.

Keep in mind: insurance requirements vary by state (and even county, in some cases), so make sure to check with your local small business bureau for the most up-to-date information for your area.

Small business insurance policies sold by category



Small business insurance policies sold by state



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GENERAL LIABILITY

Worst case scenario? Bring it on.

Your general liability policy, also known as commercial general liability (CGL), provides financial protection if you are held responsible for some of the most common accidents that can occur at a business. It is the most common insurance need for small businesses and self-employed professional.

Typically, it covers a wide range of incidents that can occur and is the first policy small business owners purchase.

Bodily injury

Someone trips over your tools and breaks their leg.

Property damage

Yikes! You drop equipment and damage a client's hardwood floor.

Advertising harm

You're sued for improper image use in your advertising.

Court and legal fees

You need an attorney for a lawsuit, even thought you did nothing wrong.

Medical payments

Someone gets injured on site and asks you to pay for medical expenses.

Libel, slander & defamation

An employee bad-mouths a client online and the client sues you.

General liability is included in most business insurance packages because it covers the risks that many business owners face every day. It is not typically required by law, but some clients and agencies could ask you to have a certificate of insurance before they work with you.

Here are some examples of businesses owners who might need general liability coverage:

- General contractors sometimes need general liability as part of the license requirements in their state.
- Fitness instructors need coverage for some certifications, and it's usually required if they work at a gym.
- Anyone who wants to rent commercial property could be required to have coverage as part of their commercial lease.

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PROFESSIONAL LIABILITY

Bungles, fumbles, faux pas—mistakes are covered.

Professional liability insurance (also known as errors and omissions insurance) protects your business against civil lawsuits and negligence claims related to professional mistakes, whether you actually made them or your client just thinks you did.

If a customer claims you made a mistake, professional liability coverage can help you move on quickly, avoiding customer confrontations and protecting your reputation.

Busniess errors

A client or customer accuses you of making a mistake that cost them money.

Missed deadlines

A customer says you didn't complete a job, project or paperwork on time and wants you to pay for financial losses.

Accusations of negligence

Someone claims your inaction or wrongdoing caused damage to something or someone.

Many companies sell a stand-alone professional liability policy while others sell it as part of an insurance package with general liability insurance. One advantage of buying both policies together is that you don't need to worry about whether something shouldbe covered as part of your general liability insurance or part of your professional liability insurance —you just get it covered.

Most businesses need professional liability coverage because it provides protection from unexpected expenses if you are accused of a professional mistake.

Let's say you're a plumber installing a sink. You drop your heavy wrench and scratch expensive antique furniture. Most general liability policies would cover that property damage. Now, say you install the sink with no issue, but a month later the customer says you caused plumbing damage and they have to replace all their bathroom pipes. That's where professional liability comes in.

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WORKERS' COMPENSATION

Protect your employees, protect your bottom line, protect your business.

The workers' compensation system was created to ensure workers are taken care of if they are hurt on the job, while also protecting business owners from significant financial losses after an accident.

It provides a safety net for you and your employees after a workplace injury. It can help cover expenses for medical treatment, lost wages, and other costs.

Medical expenses

Everything from examinatins and treatments to rehabilitation.

Lost wages

Enables employees to fully recover from an injury before returing to work.

Survivor benefits

Supports families by covering funeral cost and income replacement.

Retraining

Helps employees who need to learn skills and enter a new field.

Permanent injury

Take care of employees who can no longer work due to injury.

Employees liability

Project your business from financial losses if an employee files a lawsuit against you.

Workers' compensation is not just limited to high-risk jobs. Repetitive-motion injuries (i.e., carpal tunnel), slip-and-fall accidents and strains are more common than you might think at relatively safe desk jobs.

It's an essential component of your small business insurance package that protects you and your employees from financial harm. You're required to purchase coverage in most states as soon as you hire your first employee.

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COMMERCIAL AUTO

Don’t sweat the dents, dings, or tows.

Whether you have a single work truck or a small fleet of delivery vehicles, commercial auto insurance is essential to protect your business from unexpected expenses if you or your employees are involved in an accident.

If you have employees that operate your cars, your commercial auto insurance policy can also cover them. You have specific needs unique to your business, and your business car insurance should be customized to the risk you face while driving.

Underinsured-motorists

When another driver’s coverage won’t cover it.

Rental reimbursement

Get up to $100 per day if your car is in the shop.

Towing & labor

If you need a tow, we’ll pay for the pros.

Collisions & comprehnsive coverage

Handle repaires and replacemets fast.

Injuries

Covers legal fees, medical bills and more.

Property damage

Clipped a mailbox with your side mirror? We’ve got you.

If you’re like most business owners, the separation between work and home is probably blurred. Perhaps you already have a personal auto insurance policy—but it probably won’t cover accidents that happen while you are driving for your business.

Most states require that your business-owned vehicles are insured for certain types of accidents with commercial auto coverage. **The most common state requirements are liability insurance for injuries and property damage.**

Some states also require uninsured/underinsured motorists coverage and medical payments coverage (also known as personal injury protection).

The types of vehicles your business is using, how they are being used and who is using them will determine the specifics of what kind of insurance you need.

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COMMERCIAL PROPERTY

Get your goods, gear, and inventory covered, too.

Commercial property insurance isn't just for buildings and other structures — it can protect almost all of the things you need to do business. In the insurance industry, it's often referred to as "business personal property."

Underinsured-motorists

When another driver's coverage won't cover it.

Rental reimbursement

Get up to $100 per day if your car is in the shop.

Towing & labor

If you need a tow, we'll pay for the pros.

Collisions & comprehnsive coverage

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Injuries

Covers legal fees, medical bills and more.

Property damage

Clipped a mailbox with your side mirror? We've got you.

Let's say you rent a space for your boutique or restaurant. If you were to turn the building upside down and shake it, almost everything that falls out would be covered by commercial property insurance (up to your policy limit, some exclusions apply).

This coverage also protects any improvements or upgrades you make to your workspace. Don't worry, that custom shelving unit you built from scratch with reclaimed wood will be protected.

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TOOLS AND EQUIPMENT

If you can't get your work done without it, protect it.

Your tools and equipment are essential to running your business. Make sure your gear is protected all the time, everywhere — including in your vehicle, stored in a trailer or at a job site. If anything is stolen, lost or damaged, this coverage will get you back to work fast by paying for replacements or repairs.

Damaged equipment

Gone too soon-the pump on your pressure washer gives out five days after the warranty expires.

Stolen tools

You treat your crew to lunch, but come back to a trailer full of missing tools. Karma fail!

Borrowed gear

Acompressor you burrowed from another contractor explodes out of nowhere.

Tools and equipment insurance is a smart choice for anyone who brings their own equipment to different locations in order to get a job done.

Industries and professions that can benefit most include: landscaping, construction, cleaning businesses, contractors, concrete and cement, plumbers, HVAC, janitorial services, electricians and carpenters.

Tools and equipment insurance is available as an add-on to general liability insurance for contractors and cleaning businesses.

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OKAY, SO WHY NEXT INSURANCE?

Small business insurance has truly never been easier.

We think we're pretty good at insurance, but what's more important is what our customer's think—spoiler: they love us.

Next has a 4.7 out of 5 rating from over 100,000 people across a variety of industries, and that's because we make it fast, simple, and more affordable to get the coverage you need.

You can save up to 30% on a tailored policy and get instant coverage (we're talking 10 minutes or less). Plus, you can do it all online.

We offer the things that matter to you: great customer service, instant certificates of insurance, and great discounts when you buy more than one policy.

So are you ready for your instant quote? Get started today.

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