

Helping businesses conquer risk.



What small business owners should know about insurance

You don't have to be a business insurance expert to get the right insurance coverage. You just need to understand a few things about the process.

Here are answers to some common questions business owners ask about insurance.

What kind of insurance do I need?

There are two basic kinds of liability insurance: General liability and professional liability. Nearly every company should have general liability coverage; many companies need professional liability coverage as well. There are other, more specialized types of coverage, too, such as cyber security insurance and workers compensation coverage.

General liability (GL) covers third-party claims of:

- Bodily injury, including medical expenses
- Property damage
- Personal injury, like libel or slander
- Advertising injury
- Electronic data liability.

Any business that sees clients face to face, advertises their services or handles clients' data should have general liability coverage. If you have business property, like tools or equipment, or if you own the facility where you operate your business, you should consider a Business Owner's Policy instead. It includes GL coverage plus coverage for your business property.

Professional liability (PL), sometimes called errors and omissions or E&O insurance, covers:

- Negligence, which can include errors and omissions)
- Personal injury, like libel or slander
- Defense costs.

Any business that involves giving advice to clients should have professional liability insurance.

Cyber Security insurance covers:

- Data breaches and extortion threats
- Cyber crime, including phishing attacks
- Data recovery, even if the loss is accidental
- Defense against privacy lawsuits and regulatory fines.

Companies that have a web site, accept credit cards or collect or maintain customer data should have cyber security insurance.

Any company that has employees should have workers compensation insurance. If an employee is injured or becomes ill at work, workers compensation covers their medical costs and a percentage of their lost wages. It's required in nearly all states.

How much insurance do I need?

Each business will have a different answer to this question. When deciding, a business should consider its annual revenue, payroll, the industry it's in, and the size of its largest contract (or what they'd like it to be). A licensed insurance agent can help answer this question for a particular business.

What's this all going to cost?

This is the question every business wants the answer to, and rightly so. Every business is different, so the best thing to do is to get a quote. At www.hiscox.com, businesses can get a quote online in just a few minutes. We will tell you just how much business insurance to get, what kind, and what it will cost.

Business owners often assume that business insurance is too expensive, and they should be spending their money on other things, especially in the early days. Business insurance is more affordable than most business owners think, and can protect against risks that could cost a business everything. Get a quote today to see what it will cost to protect against claims and lawsuits.