

# Does business insurance cover lawsuits?

Business insurance covers lawsuits, as long as you have the appropriate business liability insurance for your situation and enough liability coverage to pay your legal costs.

To ensure that enough liability coverage is in place for extreme circumstances like a lawsuit that exceeds \$1 million in damages, many businesses buy a commercial umbrella liability policy.

Certain liability exclusions also apply, such as if an injury or damage was expected, or was caused intentionally. Some policies also have something called a “workmanship” exclusion, and some exclude coverage of punitive damages.

Liability insurance is available in many different forms, including:

- General liability
  - Professional liability, errors and omissions and malpractice
  - Directors and officers liability
  - Product liability
  - Premises or property liability
  - Employers' liability
  - Employment practices liability
  - Environmental and pollution liability
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# What is covered by flood insurance?

The Federal Emergency Management Agency (FEMA) says you can purchase flood insurance coverage to help protect your home, your personal belongings, or both. Here are some of the basics for these two types of coverage:

## Building property coverage

- **What it helps protect:** The physical structure of your home and its foundation; plumbing and electrical systems; central air and heating systems; attached bookcases, cabinets and paneling; and a detached garage (other detached structures need their own policy).
- **How it typically pays out:** Replacement cost basis (what it would take to repair the home in today's dollars) for a primary residence and actual cash value (which factors in depreciation) for a vacation home.
- **Maximum coverage limit:** \$250,000

## Personal contents coverage

- **What it helps protect:** Clothing, furniture and electronics; curtains; some portable appliances; freezers and the foods within them; and certain valuables, like art (up to a specified limit).
  - **How it typically pays out:** Actual cash value basis (takes depreciation into account).
  - **Maximum coverage limit:** \$100,000
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# Where can I buy flood insurance?

Flood insurance is generally available to people in communities that participate in the National Flood Insurance Program (NFIP). Flood insurance policies can be purchased through local insurance agents (such as Allen Insurance and Financial) by homeowners, business owners and renters who want protection for their homes, buildings and belongings. (Landlords can buy separate flood insurance policies to help protect the home.)

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## Is flood insurance required?

In some cases, you may be required to have flood insurance. If you own a home on land that is at high risk of flooding, your mortgage lender may require you to purchase flood insurance.

Flood insurance isn't just for homes in high-risk areas, though. The Federal Emergency Management Agency (FEMA) says that all 50 states have experienced floods, and that more than 20 percent of the claims it handles come from the moderate- to low-risk regions.

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# What is flood insurance?

Flood insurance usually is a separate policy designed to help protect your home and belongings if they are damaged in a flood. Standard property insurance policies, such as homeowners insurance, typically do not cover flood damage.

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## What does a home insurance policy not cover?

Homeowners insurance policies typically do not cover but not limited to damage resulting from the following:

- Earth movement
- Water
- Nuclear hazard
- Neglect or failure to make repairs
- Corrosion, deterioration, decay or rust
- Wear and tear
- Contamination
- Fungi
- Increased cost due to enforcement of any building ordinance or law
- Government actions
- Power failure
- Animals or pests
- War

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## **Do I need to take an inventory and photographs of my belongings?**

This is not necessary but in the event of a loss, having this information would be very helpful. Keep your home inventory in a safe, accessible place in the event you need to file a claim. [You can use this PDF to get started.](#)

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## **Is my jewelry covered by my homeowners policy?**

On a homeowners insurance policy, there is limited, standard coverage available for your jewelry. In most cases, you may want to consider purchasing a Personal Articles Floater, which provides coverage for your jewelry when its value is higher than the limits stated in your homeowners policy.

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# How do I make sure I have coverage for my valuable items?

A homeowners insurance policy provides limited coverage for your valuables. In most cases, you may want to consider purchasing a Personal Articles Floater, which provides coverage for your personal articles, such as jewelry, furs or fine arts, when their value is higher than the limits stated in your policy.

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# How does my deductible affect my insurance premium?

If you select a higher deductible, you will be responsible for paying more out of pocket. However, you'll typically pay a lower policy premium. The opposite is true if you select a lower deductible option: because the insurer will pay a larger portion of any loss, you'll typically pay a higher policy premium.