

Is business insurance required by law?

Business insurance is required by law, but only under certain conditions. The following business insurance is required by law if it is applicable to your situation:

- **Unemployment insurance:** Applies to a business that has employees and may be obligated to pay unemployment insurance taxes under prescribed conditions. If these conditions are applicable to your business, then you must register your business with the state work force's agency.
 - **Workers' compensation insurance:** If your business has employees, you are most likely legally obligated to carry workers' compensation insurance, either on a self-insured basis or through a commercial insurance carrier or a state workers' compensation program. Workers' compensation laws vary by state.
 - **Professional liability insurance:** Some states require specified professionals to carry insurance against professional liability.
 - **Disability insurance:** Several states require that a business have partial wage replacement insurance coverage for eligible employees for non-work related injury or illness. These states are California, Hawaii, New Jersey, New York, Puerto Rico and Rhode Island.
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Is business insurance tax-deductible?

Business insurance is tax-deductible, as long as the coverage is for the purpose of operating a business, profession, or a trade. Businesses may not deduct their business insurance premiums if the coverage is for the purpose of a self-insurance reserve fund or a loss of earning insurance policy. Consult your tax professional for advice.

How much does business insurance cost?

The cost of business insurance varies. A number of factors affect the cost, because it depends on the type of business and the types of coverage appropriate for that commercial operation.

A typical cost for business insurance coverage is \$200 per month. Cost also depends on the size of the business. A small, home-based business can often be adequately insured for less, while insurance for a large company with many employees and a wide range of business risks will cost substantially more.

The costs of business insurance can be reduced with effective risk management practices, and by comparing costs from several different insurance carriers.

An independent insurance agent who specializes in commercial insurance can help with this process, and can manage a company's

complete business insurance portfolio through one office.

How does business insurance work?

Business insurance is a contract between the insurance company and the business. The insurance company agrees to provide financial protection in the event of a specified loss in exchange for premium payments.

At the time of a loss, the business will file a claim. If a fire destroys a portion of the business premises, the company will file a claim against the property insurance policy.

An adjuster will assess the damage and process the claim. The company will then receive the appropriate amount of compensation for the loss, less any deductible.

There are many different scenarios with regard to business risk and how insurance claims are filed. If the incident is a loss suffered by a customer of the company, the injured party is likely to file a claim against the business's liability policy.

How the claim is processed depends upon the size of the claim, whether the matter can be settled with an insurance payment, and if the claim results in a lawsuit.

What does business insurance cover?

Business insurance coverage for a commercial operation can include the following and more:

- **General liability insurance:** Covers third-party liability claims for injuries to other people.
- **Professional liability and malpractice insurance:** Covers professionals against loss due to negligent professional duty, wrongful acts, and advice and services that lead to another person's loss or injury.
- **Product liability insurance:** Covers against faulty products and damage, illness, injury or death that may occur from using a faulty product.
- **Property insurance:** Covers loss and damage to your commercial business property due to fires, storms and other causes.
- **Commercial vehicle insurance:** Covers commercial vehicles and drivers for collision, liability, property damage, personal injury and comprehensive coverage (also known as "other than collision").
- **Workers' compensation:** Covers your employees if they get ill or are injured while working on the job.
- **Loss of income:** Covers your business expenses, such as rent and employee wages, if you can't operate your business.
- **Key person insurance:** Covers loss of income that may result from the head of the business or other key personnel becoming incapacitated or passing away (also known as key man insurance).
- **Cybercrime insurance:** Provides protection for risks due to Internet use and online communications.

- **Records retention policies:** Covers loss of important data and financial records.
 - **Specialty coverage:** Insurance that covers various specific business risks, such as those of landlords, farmers, and commercial operations that put on one-day events, such as seminars or concerts.
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What is business insurance?

Business insurance includes a broad range of policy options designed to protect businesses from financial loss. Every commercial operation has its own unique set of risks, which means a commercial insurance policy must be tailored to the business.

Many factors, from the size of your company, to the number of workers you employ, the materials they handle, and whether you have business vehicles, will determine the specific coverage you need to mitigate risk and protect your company's financials.

Many business owners find that they must turn to a number of different insurance companies to get all of the coverage needed to cover their risks. If you work with an independent agent like those at Allen Insurance and Financial, you can get all of your business insurance policies from one office.

What is commercial property insurance?

Commercial property insurance is the type of business insurance that covers your business's physical property, equipment, and possibly stock and inventory. Basically, it can cover your office building and nearly anything that's inside it.

Commercial property insurance typically is part of something called a commercial package policy. A commercial package is made up of various types of commercial insurance, including commercial property, general liability, and could include other types of insurance as well.

It's common to have both your commercial property insurance and your general liability insurance with the same company, which creates a package policy. However, this isn't usually required and there are many insurance companies that will just insure your commercial property, while another company will insure your general liability.

What is general liability insurance?

General liability insurance, also known as commercial liability insurance, is a broad commercial insurance policy covering general liability exposures of a business.

General liability provides insurance protection for a company's assets,

financial obligations, legal defense, and any settlements or judgments awarded to an injured party.

It may also include claims for copyright infringement, false or misleading advertising, or libel and slander. If a patron is injured in some way in the course of doing business with your company, your general liability insurance will provide coverage.

Allen Insurance and Financial recommends that all businesses have general liability coverage in place.