

10 INSURANCE SMART THINGS TO CONSIDER *Before starting a business.*



- Make sure you understand how your state defines “employee” as it relates to workers’ compensation insurance and what coverage you may be required to carry.
- Before you begin a new “sharing economy” business, make sure you understand all the legal and regulatory requirements. For insurance purposes, once you begin earning income from renting out personal property, you may be considered a home-based business.
- If you’re considering a business partnership, look into Key Person life insurance – coverage that makes each partner the other’s death beneficiary – before you form the company. Doing so early helps mitigate risk.
- If your business owns or leases a vehicle, make sure the business name is listed on the policy as the principal insured.
- If you use your personal vehicle to conduct business, consider increasing your liability limits. Premiums likely will be higher, but having additional coverage to protect business assets will be beneficial in the event of an accident-related lawsuit.
- If you lease space, do not rely on your landlord to provide coverage for your business property. The building typically is insured only for the basic structure and common areas.
- If you purchase business interruption coverage – insurance to cover expenses in the event of a business shutdown – make sure you have sufficient funds to tide you over for the first few days. Interruption coverage typically does not kick in for a specified time period after a disruption occurs.
- Educate yourself about the safety history of your industry. The risk assigned to a business for general liability coverage is impacted by the number of claims filed within that industry or the probability of a claim for a similar company.
- Be sure your group health coverage fits your team. For example, if most employees are planning children soon, pregnancy-related coverage will be important.
 - Businesses with fewer than 25 employees who purchase group health insurance through Small Business Health Options Program (SHOP) marketplaces may be eligible for tax credits.
- To save money and simplify paperwork, consider purchasing group insurance in packages, i.e., health, disability, vehicle, etc., from the same provider.



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