

Silver Advantage **Consulting Alert**

Insurance Needs for Business

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There are many types of business risks that can be covered by insurance. The insurance industry has the old joke: “What do hospital gowns and insurance policies have in common? You're never covered as much as you think you are.”

A common question I receive from my international clients (equally applicable for domestic companies) is “How much coverage and what type of insurance does my business need?” This article will discuss the most common types of insurance policies that US businesses might need. As to how much coverage is needed, I will leave that for the insurance professionals to answer.

Business Owner’s Policy:

A business owner’s policy bundles commercial property, employee dishonesty, loss of income, owned and noncompany owned automobiles, and other coverages.

Commercial Property Insurance:

Commercial property insurance covers physical loss or damage to personal and real property owned or controlled by a business

Business Income Coverage

Business income insurance covers loss of income due to such things as damage to property. It can include expenses incurred as a result of the business interruption.

Liability Insurance

Liability insurance protects your company from claims or suits by outside parties for damages caused by negligence of you or your employees.

Errors and Omissions Liability

This is coverage for professional firms, including lawyers, accountants, consultants, advertising, architects, medical practices, and any other companies rendering professional services. It covers damages caused in performing these services.

Employee Dishonesty Policy

This type of policy covers the company from losses due to fraudulent activities including theft of money or other property.

Directors and Officers Insurance

This type of policy covers members of your board of directors and officers in the event they are sued personally in connection with their position with the company.

Product Liability Insurance

Damages caused by use of a company's products are covered by this type of policy.

Workers' Compensation Policy

State law requires employers to provide medical and other benefits to workers injured on the job. Most employers satisfy this requirement by purchasing a workers' compensation policy.

Insurance should be a part of your company's strategic plan. Michael Silver & Company CPAs helps our clients by providing advice on various strategic matters, including protecting business interests. We can explain the complicated world of insurance and refer you to insurance professionals, who will be able to assist you in developing an appropriate plan to meet your company's insurance needs. Please contact Steven Handler, Certified Management Consultant, at 847-213-2107 or Stevenh@msco.net to discuss your specific needs.