

Your Introductory Guide to Small Business Insurance



Small businesses now make up the largest group of employers in the U.S. and most Americans work for a small business. As a small business owner you will need to safeguard your assets and your livelihood from potential losses by purchasing Business Insurance. As your independent agent I can offer you the coverage you need at a competitive price from Travelers. Travelers is a leading insurance carrier that offers a variety of insurance products designed to meet your business' unique needs and protect you from a potential financial loss.

When considering what types of insurance policies your business needs, it can quickly become very confusing to keep the terms straight. An easy way around this dilemma is to work with an experienced independent insurance agent. As your agent, I can guide you on what types of insurance you may need for your business, whether it is property, liability, automobile or workers compensation.



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Property

The property used in your business such as the structure you do business in, the contents or the equipment used in your business need to be protected. Property policies pay for the loss or damage to your property.

Liability



No one is perfect, your business may make a mistake and, especially if your business is open to the public, there is always the chance your business will be held liable for an injury or error to a customer, visitor or bystander. Liability policies can provide a legal defense to you in case of a claim or lawsuit against you, and help protect you from financial loss from paying damages as a result of being held liable for an error or injury resulting from your business.



Employees

At the heart of every business are its people. You and your employees are your business' greatest assets and must be protected. Employees are protected by workers compensation policies, health and life insurance policies. Travelers offers workers compensation coverage that provides advanced claim and medical technology to promptly handle and fairly resolve workers compensation claims and can be written in conjunction with a package policy or on a stand alone basis.

Business Interruption

Without income, the business does not survive. In the event of a catastrophe, business interruption coverage can provide income or allow your business to be set up in a temporary location to earn income. As part of the core Travelers **Master Pac**SM BOP, your policy includes Business Income and Extra Expense coverage, which protects you from loss of income due to an unforeseen event.

What is a Business Owners Policy?

A Business Owner's policy offers broad insurance coverage for small businesses – typically for those businesses with fewer than 100 employees and less than \$5 million in annual sales (though this number may vary based on your business). A Business Owner's policy, also known as a BOP, combines several types of insurance coverage together so you can buy a package of protection with convenience at a competitive price and add customized coverage options specifically for your small business. With a Travelers Business Owners Policy, your small business can get property insurance, liability insurance, crime coverage and much more, built into one convenient package to protect you for:

- Property claims
- Equipment breakdown
- Income Loss
- Products and completed operations claims
- Damage to premises you rent liability claims
- Premises liability claims

Travelers offers a BOP for Apartments, Buildings, Businesses, Condominiums, Contractors, Garages, Manufacturers, Offices, Religious Organizations, Restaurants, Stores, Technology Offices and Manufacturers and Wholesalers. Travelers also offers Commercial Automobile coverage, Workers Compensation coverage and Umbrella (Excess Liability) coverage.

Travelers small business owners insurance builds in many specialized coverages your business needs, plus it offers an array of coverage options to further tailor your policy to your specific business.



Property Insurance

The profitability of your business is important to you and having insurance to protect you against loss or damage to your business' property or loss of income is of the utmost importance.

A Travelers small business insurance policy includes a broad collection of coverages to protect you from a wide range of losses. These losses include damages to your building or structure, or to personal property. A Travelers policy can be tailored to cover all of your equipment, including computer hardware and software, plus your valuable records.

What if your business is unable to operate because of interruption of service? Or damage to a critical piece of machinery?

A properly written policy will include loss of income that might result from breakdowns, as well as loss of income from other hazards that would temporarily close down your business. Travelers **Master Pac** Business owners policy automatically includes Business Income and Extra Express coverage which covers your business from potential losses of income. Without this coverage there is no replacement for income that has been lost because of sustained damage to your business. Business Income and Extra Expense coverage is optional with the **Pac PlusSM** product and for Garage and Religious Pacs.



General Liability Insurance

A Travelers Business Owner's policy includes General Liability insurance. General Liability coverage insures against the payment of damages and legal defense that your business may incur due to liability legally imposed upon your business because of the negligence of the business or its employees including common risks such as customer injuries on your premises or from your completed operations, or from products you sell. Put another way, it protects your business when the business is sued for negligence. For example, when someone sues you for bodily injuries or property damage covered by the policy, the cost of defending and resolving the suit would be covered by your general liability insurance policy.



Commercial Auto Insurance

If your business owns or uses motor vehicles, or mobile equipment that is required by your state to be insured for minimum financial responsibility, then you need a commercial auto policy. Commercial Auto coverage insures against property damage to vehicles you own or hire, and against liability for bodily injury and property damage caused to others by your use of the insured vehicles. It is important to know the difference between a Personal Automobile policy and a Commercial Automobile policy. Your Personal Automobile policy usually does NOT cover vehicles used in the operation of your business.

Workers Compensation Insurance



If your business has employees, Workers Compensation insurance will be mandatory. Workers Compensation insurance covers you for an employee's on-the-job injuries. Workers Compensation is an exclusive remedy system in which employers participate that provides payment to the injured employee for medical bills and compensation for on-the-job-injuries, in return for a statutory prohibition against the employee suing their employer for those on-the-job injuries.

In conjunction with its Workers Compensation insurance, Travelers provides additional services such as risk management and loss control services that may be beneficial to your business operation. These services are typically very helpful in holding down claim costs over the long term.

Umbrella (Excess Liability)

A Travelers Umbrella policy provides additional coverage when the limits of insurance on a scheduled underlying policy are exceeded. For instance, if you have \$1,000,000 coverage under a primary, scheduled General Liability policy and you have a claim settlement for \$1,500,000, the umbrella policy would provide the additional amount over the \$1,000,000 settlement up to the Umbrella policy limit for a covered loss. Umbrella Liability policies add excess limits to General Liability, Commercial Auto Liability, and Employer's Liability for a single premium. It is important to note that Umbrella coverage does not apply to the Professional Liability policy.

Top Do's and Don'ts

Top Do's

- Work with a qualified independent insurance agent to assemble the Travelers Insurance policy that is right for your business.
- Include Umbrella (excess liability) coverage for your business.
- Use a special form of business property insurance.
- If you have employees, consider carrying Employee Benefits Liability coverage.
- Maintain a clean and safe environment in your workplace.
- Increase all your insurance coverages appropriately as your business grows.

Top Don'ts

- Go "uncovered" (uninsured) in any category of insurable and significant risk.
- Fail to recognize regular employees as employees as opposed to contract workers.
- Overlook ongoing employee training on maintaining workplace safety.
- Feel that you can't afford insurance. You can't afford not to have it.
- Deal with contractors who cannot furnish current insurance certificates.
- Permit your insurance policies to lapse for non-payment of premiums.
- Deal with insurers with substandard ratings.
- Withhold information from your insurance provider or fail to give the provider a complete picture of your risks.

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