

SelfInformed

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**What Types of
Business Insurance
Do You Need?**



What Types of Business Insurance Do You Need?

There's nothing quite like starting your own business, even if it's a small or micro business. It's exhilarating to see your company name on your new letterhead and business card, submit proposals to potential clients and start earning an income for work that you're doing. Above all, you realize that all the hard work and effort that you've put into nurturing your idea for your own business is finally coming to light.

It's the same with growing an existing business. After all, you've worked hard and put in lots of hours and effort to get to the point where expansion is a consideration. That may include adding an employee, moving from a home office to a rental office space, or adding new services to your current business offerings.

Minding Your Own Business

If you're considering starting a business, you're certainly not alone. Statistics show that over 51% of new business startups in the country are people working from home.

If you're just starting out, you're going to need to face the realities of managing your new business and working on your own. That might include negotiating a lease, managing payroll if you have employees, and making sure you're protected with the right insurance coverage. Because for small business owners, entrepreneurs and self-employed individuals, the question no longer is "do you need business insurance," but rather, "what types of business insurance do you need?"

Here's why: the last thing you'd want is for your business to be liable for some type of damage and find that you don't have the proper insurance protection.

There's another consideration: as the business owner, you are the business. And whether you're starting a business, growing a business or taking over a family business, if something bad happens, you don't want to expose yourself to potential liability. Without proper insurance coverage, that's exactly what will happen.



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Small Businesses are Booming

If you're planning on starting your own business, you're not alone. 52% of all small businesses are home-based, and about 22 million small business owners are self-employed with no additional employees.

According to the Wall Street Journal, small businesses continue to be the lifeblood of our economy, and only 1% of all businesses are publically traded. Currently about 120 million people work for a small business — that's more than 50% of the workforce.

And a Wells Fargo survey of 600 small business owners showed that 66% ranked their financial situation as good, while 71% stated they expected their business to be in good financial shape in the coming year.



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Different Business Insurance Options

It doesn't matter if you're renting an office, have a retail store or you're working from your home office. According to our insurance experts at NASE, you need to have the proper coverage in case of any problems. So let's take a look at the many different types of business insurance you're going to need.

- **Health insurance** — this one is a “must-have.” You're no longer on a company insurance policy, so if you become ill or injured, you'll need insurance. In addition to health insurance, you might want to also consider disability insurance, so your income will continue if you're unable to work.
- **Liability insurance** — another “must-have” insurance to protect you from any type of damages in case you, an employee if you have one, or even your product or services cause any type of injury or property damage to another person.
- **Business insurance** — this is a broad term, and provides different types of coverage. The types of insurance you'll need may depend on how many employees you have, the type of business you own and the type and amount of assets you're looking to protect.
- **Business Owner's Policy** — often called, “BOP” this type of policy covers property and liability. The term, “property” includes your building, equipment and inventory, if you have any. It also provides liability protection for bodily injury, property damage or even a lawsuit from an accident that ends up causing bodily injuries. Some policies also cover claims from liable, slander or false advertising.
- **Professional Liability Insurance** — this coverage picks up where a Business Owner's Policy leaves off, covering you in case of professional errors or negligence. It's designed specifically for the self-employed. If you're the business owner or run a small business you may want to consider an “errors and omissions” policy. This is especially important if the type of work you do includes providing advice or services that people rely on, like a CPA, an attorney, engineer, business consultant, financial advisor and many other professionals.
- **Workers' Compensation Insurance** — if you have 2 or more employees, the law requires you to have Workers' Compensation Insurance, and each state has different requirements. It's designed to cover medical care and replaces a portion of lost wages for an employee who becomes injured during their employment.

- **Property Insurance** — if you work from home, you may need additional property and liability insurance - more than is provided by your homeowner's policy. In fact, some homeowner's policies exclude business liability. Let's say someone comes to your home for a meeting, or to pick up something. If they receive an injury while visiting, your homeowner's policy would probably not cover the liability. At the very least, you should consider beefing up your current homeowner's policy, but discuss this with your insurance agent.
- **Data Breach and Cyber Liability Insurance** — by now everyone has heard of the breaches against Equifax and Target, and the resulting damages the companies are still facing are in the hundreds of millions of dollars. Data breaches and cyber thefts are happening to businesses of all sizes. While cyber insurance policies differ by the insurance company and the policy, you want to be covered for legal fees, the costs involved in incident investigation, costs of notifying clients, cost of restoring compromised data and other costs. These costs can add up to substantial amounts of money!

The National Cyber Security Alliance states that one in five small businesses will become the victim of a cybercrime each year. If your business handles sensitive data, you may want to consider adding a cyber insurance policy to your coverage. But some insurance policies that cover errors and omissions may cover data losses. Before buying, check with your agent. And if you'd like to see some of the things you can do to protect your small business from cyber thieves, [here's an informative article to read.](#)

There are other insurance considerations as well. For example, if you use your vehicle for business, or you have an employee that uses his or her vehicle, you may need additional auto liability insurance. To protect yourself, it's best to discuss this with your insurance agent.

Cover Your Assets!

Hopefully you've learned why it's critically important to protect your small business by having the proper insurance coverage. What you're really protecting is your personal assets, because if your company is liable for damages to a third party, chances are they'll be coming after you. A well thought out insurance program will help to mitigate any potential loss to your personal assets.



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Let's Get Social!

Connect with NASE on our social platforms

As an NASE member, you are the driving force for what we do. Promoting self-employment and providing as many self-employed people as possible with our wide variety of benefits is something we do every day. But is it something you do? A great way for you to show your support for the NASE is to Like, Join and Follow us on our social media channels to help spread awareness. If you haven't taken the time already, we invite you to do so now with the links to our social media below:



New!



Member Benefits

Visit NASE.org to learn more about the following benefits!



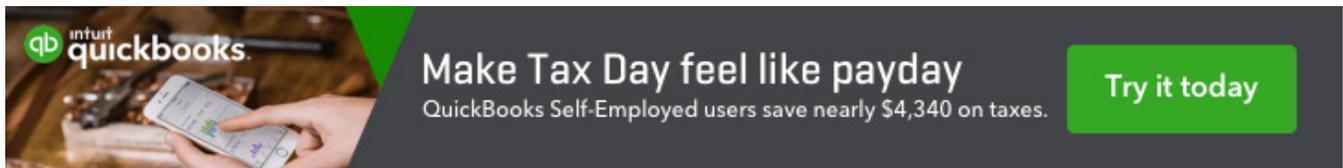
BUSINESS INSURANCE & COMPLIANCE TOOLS

NASE members now have access to valuable business insurance programs and cyber security compliance tools. Members experience a quick and easy online application process and can receive insurance coverage for Business Owners Policy, General Liability, Property, Professional Liability, or Data Breach and Cyber Liability insurance products specially designed for NASE members. Also, NASE members receive 20% discount on Data Breach

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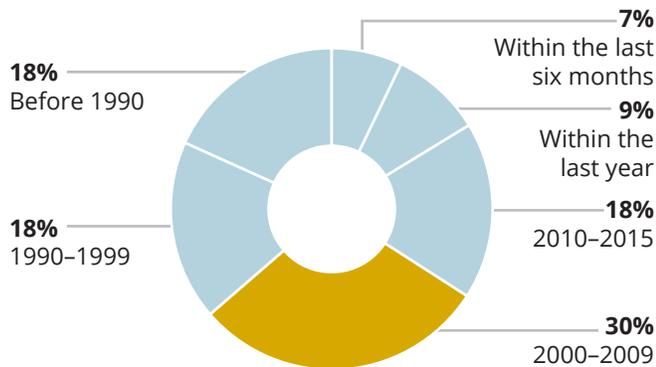
Association Members receive a **15% discount** on the #1 online tax preparation program. TurboTax Online makes filing your taxes easy...and it's quick and affordable, too.



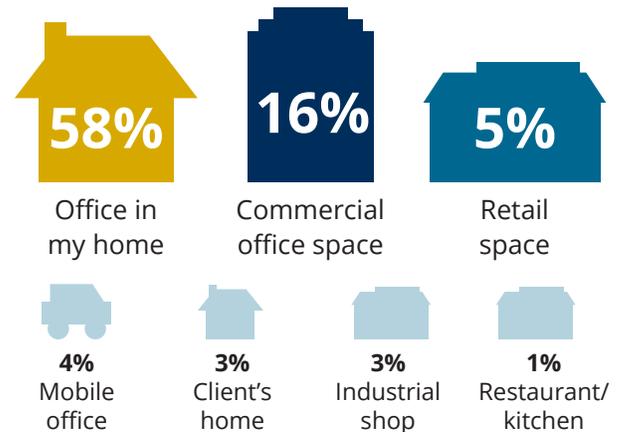
Who Are NASE Members

This month, we are going to take a look at not one of our fantastic Members specifically, but rather our members as a collective. Using data from over 600 members who responded to our 2017 Member Survey in November of last year, let's find out who the NASE member is...statistically speaking.

An NASE Member has likely **been in business less than 15 years** with 30% of NASE Members having started their business between 2000–2009.



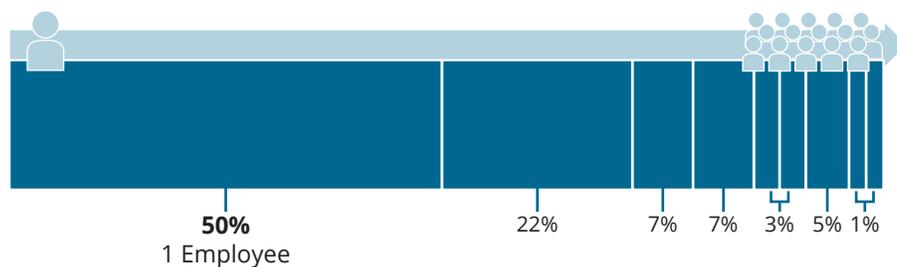
A majority of NASE Members work from an office in their home.



Almost half of all NASE Members chose to form their business as a Sole Proprietorship.



Half of NASE Members are their only employee and half of our members are between the ages of 51–64.



No matter where you are from, where you work, how old you are or what type of business you have, we are glad to have you as a member of the National Association for the Self-Employed. If you didn't get a chance to participate in our 2017 Member Survey, check www.NASE.org periodically and your inbox towards the end of this year when we conduct our 2018 NASE Member Survey. If you found this article interesting and would like to see more like it, please let us know either by calling 1-800-649-6273 or on our social media pages!



NASE Founding Member of New Small Business Coalition

NASE is proud to announce that we have joined the Small Business Roundtable. NASE has joined forces with the nation's leading small business and entrepreneurship organizations to form the Small Business Roundtable (SBR), a coalition dedicated to advancing policy, securing access, and promoting inclusion to benefit the 30 million small businesses at the heart of the American economy.

Like our fellow members of SBR, we are committed to improving the entrepreneurial environment. We are delighted to work alongside the Small Business & Entrepreneurship Council, National Association of Women Business Owners (NAWBO), National Small Business Association (NSBA), the U.S. Black Chambers, Inc. (USBC), and the Asian/Pacific Islander American Chamber of Commerce and Entrepreneurship (National ACE).

Keith Hall, President & CEO of NASE said: *"While 'small business' makes for great rhetoric, its advocates rarely are included in major policy decisions. The leading goal of SBR is to ensure a proverbial seat at the table. We must guarantee that our voice—the collective interests of our members—is not only heard, but sought after. We look forward to working not only*

with traditional partners, but reaching out to new allies across the political and economic spectrum."

The coalition was established to give the small business associations a more cohesive voice on public policy. It will allow us a place to share information and increase the influence of our organization.

Additionally, it will become a one stop shop as a place to share information for the small business and entrepreneurship community.

Follow the Small Business Roundtable:

 **Twitter:** @SmBizRoundtable

 **Facebook:** @SmallBizRoundtable

 **LinkedIn:** [linkedin.com/company/smallbusinessroundtable/](https://www.linkedin.com/company/smallbusinessroundtable/)

For more information, visit:

www.smallbusinessroundtable.org

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