

SCORE Business Insurance

QUESTION: I am just starting my business and wonder what kinds of insurance coverage I should consider? We recently moved here and I do not have any contacts locally. Any suggestions you may have will be appreciated.

William R., Naples

ANSWER: William, insurance is one of the many decisions you will face as a business owner. Most entrepreneurs underestimate the importance of insurance, as well as the costs involved and difficulties that can be encountered in trying to obtain the “right” coverage. Insurance should not be looked at as just another commodity. The old adage “You get what you pay for” is never more true than in the insurance buying process. The owner of an automotive repair shop has an entirely different set of exposures than the owner of a hardware store or a landlord owner of commercial rental property.

The first step is to select a qualified insurance agent at the same time you obtain an accountant and lawyer. Invariably questions arise that require a team approach to determine the best coverage solutions. If you are new to the area, you should solicit recommendations from other business owners. Local trade associations and the Chamber of Commerce are a good reference source. Compile a list of several agents and then interview each. What you are looking for is experience with businesses similar to yours. Ask the agents for the names of other clients and check their references. True insurance professionals take advantage of continuing education programs and can be identified as Certified Insurance Counselors (CIC), Chartered Property & Casualty Underwriter (CPCU), and Chartered Life Underwriter (CLU). Insurance is broadly grouped in two categories, Property & Casualty, and Life & Health. Both are specialties and it is uncommon that one agent is expert in both.

Some types of Property & Casualty insurance that you may need for your business are:

- ***Commercial Auto to protect your business from automobile related losses, both liability and physical damage.***
- ***Commercial General Liability to protect against certain other lawsuits arising out of the conduct of your business.***
- ***Product Liability to protect you from claims for damages sustained by customer’s use of your products, either sold or installed.***
- ***Workers Compensation to protect you from claims by employees who are injured on the job.***
- ***Commercial Property to protect you for loss to your building and contents from fire, wind, lightening, theft, vandalism, etc.***
- ***Flood insurance to protect your business assets from flood damage.***
- ***Business Interruption and Extra Expense to pay for lost revenue and additional expenses resulting from covered damages to your building and contents.***

- ***Builders Risk coverage to afford protection while your building is under construction.***
- ***Boiler & Machinery to pay for repairs or replacement of damaged expensive electrical and mechanical machinery.***
- ***Inland Marine to cover property in transit or away from your premises. Also, replacement of damaged computer hardware and software, including restoring lost data.***

Some types of insurance to be considered in the fields of Life & Health include:

- ***Group Life & Health insurance to protect you, your employees and their families from the financial consequences of death, sickness or non-job related accidents.***
- ***Disability insurance to cover lost wages due to prolonged sickness or disability.***
- ***Life Insurance for funding buyout agreements between business partners, securing business loans, and the loss of Key people, as a result of untimely death.***

For more information on this and other business topics, contact the Naples Chapter of SCORE. Counseling is offered FREE of charge. Just call 239-430-0081 or visit www.scorenaples.org and click on “Request counseling NOW as a first time client.” The SCORE business office is located at 900 Goodlette Road North in the Fifth Third branch bank building. Office hours are 9:00 AM to Noon, Mondays through Fridays.

If you would like the answer to your question considered for publication in this biweekly column, please fill out the form located at www.scorenaples.org/askscore. Include your name, address and a contact phone number.