

Importance of Insuring a Business

Most companies today whether how big or small holds certain insurance policies (we don't know what type of policy they have) for them to ***alleviate unexpected business damage*** that may happen while their business is on operation.

Thought it seems to be tempting to cut your overall cost by acquiring insurance, successful business owners recommends that business should acquire insurance policy.



Generally, surprise happens every day.

There are certain situations or uncontrollable things happen, **business insurance** is there for it to cover “*unforeseen acts of god and situations like malpractice*”.

For instance suing a doctor for giving wrong medication to a patient, another thing is **if you have business that is located in a flood zone area, flood could possibly destroy business property anytime** and with insurance it will allow you to continue your business operation in certain situations as you relocate to the new

market while rebuilding things up.

In other countries like United States, they require businesses with insurance before they are approved.

If you have large or even minimal number of employees, they are required to purchase “*compensation coverage policy*” thru a commercial provider.

Most country requires insurance for disability, but do not require insurance for business using it as benefit.

Insurance on property is one of the most popular, as this covers damage to certain business, even if it is a home business, but it does not compensate lost profits.

But you can use “*business interruption policy*”, this type of insurance pays for the loss of sales until you get you recover and get your business running after a disaster.

For some instances that you become disabled or ill to run the whole company, “*disability insurance*“ will **help you as back-up**, it will provide you percentage of your regular income(this depends on the type of policy given) some company will provide additional insurance for expenses like supplies and inventory for your business to run while you’re disabled.

As business owner, you should not depend on liability waivers for you to be protected in the event of mismanagement or accidents, it will never cover you and in fact there are cases that you cannot use those waivers to protect your business from certain liability.

As a tip, it is way advantageous to purchase insurance policies for your business on a single company. Most insurance for business is usually covered by a “*business owner’s policy*”.

So when starting your business, you have to do careful audit on risk management for you to identify possible business threats that it might do and the cost it will create.

We suggest as business owner, **you should conduct regular risk management research**, you can ask for the service of any licensed agent that is familiar with risk associated situations related to the type of business you are operating.

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