

June 24, 2019

www.chalfin.com
bob@chalfin.com

Items to Consider When Purchasing Business Insurance

By Robert J. Chalfin CPA, JD

While my firm or I do not sell or broker insurance, I suggest everyone consider the following when purchasing insurance:

- Speak to several different brokers, preferably ones who have experience in the sector in which your business operates, to learn about the scope of coverage that you should obtain.
- Inquire if your insurance can be placed with a carrier that has experience with businesses that are like yours. This may enable you to increase the depth and breadth of your coverage while obtaining attractive rates.
- Contact trade groups and others in your sector to locate insurance brokers who specialize in similar businesses.
- Require that all insurance brokers tour the business to ascertain the appropriate coverage that should be purchased.
- Continually solicit your insurance broker's advice regarding the appropriate type and level of insurance for your business.
- You should consider purchasing insurance that includes:
 - Data breach (cyber)
 - Employment practices liability coverage
 - Property that may be located off-site (think remote employees)
 - Off-site coverage (for individuals who are traveling, at off-site locations, or work from home)
 - Workers compensation
 - Disability
 - Life insurance for key people
- Request that the insurance agent to price your insurance based on different levels of deductibles. This will enable you to perform your own sensitivity analysis.
- Be cognizant that lenders and investors frequently mandate the scope of insurance that should be maintained.
- Resist becoming complacent. Obtain competing insurance quotes annually.

This information is designed to be accurate and authoritative. However, this information is distributed with the understanding that it does not render legal, tax, accounting, or other professional advice and no liability is assumed in connection with its use.