

## Is Your Home-based Business Covered for Loss?

Did you know that more than two-thirds of U.S. businesses\* start at home, and that 59% of established business owners continue to operate from home? While there are certainly perks of having a home business (comfy clothes and no morning commute), there are certain risks. So don't assume your homeowners insurance policy provides sufficient coverage should a calamity strike.

There are business insurance policies available that can be critical in protecting your business against worst-case scenarios. Truth be told, it only takes one lawsuit for a small-business owner to face financial ruin. While you can't prevent an accidental injury lawsuit or an angry client from taking legal action against you, you can protect what you've worked hard to build with business liability coverage.

Typically, a homeowners or personal umbrella policy doesn't cover injury incidents that occur while conducting business. In addition to liability coverage, business insurance can also provide coverage for your business property and office equipment. Coverage for anything business-related (computer equipment, data etc.) is usually excluded from your homeowners insurance policy.

That's why it's crucial to have the right type of coverage in place. Some home businesses may require a separate commercial insurance policy to adequately cover the business exposure. However, other home businesses can be covered by adding a "specified business pursuits on premises endorsement" to your homeowner's insurance policy. Businesses that may be eligible for this endorsement are: music teachers, tutors, consultants, graphic designers, jewelry or handcrafts, photographers, accountants, and real estate agents.

Unsure of your coverage? Give us a call and we'll be happy to review your policy needs with you.

\*(Source: <http://www.babson.edu/Academics/centers/blank-center/global-research/gem/Documents/GEM%20US%202012%20Report%20FINAL.pdf?>)