



**Connie Phillips Insurance**  
**Consultant**

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# Is your home-based business covered?

Running a business from your home can be a wonderful way to earn money. However, a home-based business (HBB), like all businesses, should be properly insured to protect the business assets and its owner. HBBs are often underinsured or uninsured — a fact that many HBB owners discover only after it's needed.

## **If I operate a business out of my home or garage, doesn't my homeowner's or renter's policy cover me?**

Standard homeowner's and renter's policies were designed to cover a home, not a home business, and provide very limited coverage for business exposures.

## **What business exposures does a homeowner's/renter's policy cover?**

Typically, policies cover \$1,500-\$2,500 for business personal property (equipment, inventory, and supplies). These limits will likely be insufficient if a fire or other major disaster were to destroy your home.

## **Will my homeowner's/renter's policy cover a customer or supplier injured on my property?**

Most homeowner's/renter's policies will not cover any liability related to your business unless the coverage has been added separately.

## **What If I use my personal auto for business purposes?**

Personal auto policies only provide coverage under limited circumstances when your personal auto is used for business purposes.

## **What insurance is available to HBBs?**

There are three primary coverage options available, depending on the type and nature of your business:

- **Homeowner's Policy Endorsement:** For a minimal cost, you can add an endorsement to your existing policy to increase coverage for your business equipment and minimal liability coverage.
- **Home Business Policy:** Provides broader, more comprehensive coverage than a simple endorsement
- **Business Owner's Policy (BOP):** Created primarily for small to mid-size businesses, a BOP provides the most comprehensive coverage for HBBs.

## **Any other coverage concerns?**

Having proper and adequate coverage can protect you from losses that can devastate your HBB. HBBs face a myriad of exposures including:

- Theft
- Accidental damage to business property
- Natural disasters
- Fire
- Auto accidents
- Liability if an employee suffers from or causes injury on the job
- Liability if a business guest or supplier is injured while on your property

## **WHAT OTHER TYPES OF INSURANCE SHOULD HBBs CONSIDER?**

Depending on the type and nature of your business, including whether or not you have employees, you may also need to consider:

- Loss of income
- Health & Disability
- Errors & Omissions
- Workers' Compensation
- Umbrella coverage