BUSINESS STARTUP BLUEPRINT

BUSINESS INSURANCE

TRANSCRIPT

upflip

Now we're going to talk about what everyone loves talking about: insurance. Okay, I get it. I'm being a little bit sarcastic here. Not everyone loves talking about insurance, but it is a necessary evil, depending on how you look at it, to get set up with your company.

There are different types of insurance that you may need.

In your business, you'll typically need general liability insurance. You'll want to get a quote for a policy, and the rates will vary depending on how much liability risk your business poses.

For instance, if you're in a business like high-rise window cleaning, your liability insurance will probably be higher. Your workers' compensation insurance will also typically be higher in high-risk business verticals.

Make sure you shop around for insurance. Don't just go to your local insurance company, get one quote, and pull the trigger. Get quotes from multiple providers and have them compete against each other.

There are good and bad insurance policies, expensive ones, and more affordable ones. Sometimes these policies cover things you may or may not need, so it's essential to do your due diligence.

Get a good insurance person. Your insurance person should be part of your inner circle of advisors. Ensuring you have the right coverage will help protect your business in case something catastrophic happens. You'll also need to consider automobile insurance.

If you have a service business with work vehicles and employees driving those vehicles, ensure you get a business insurance policy, not a personal one, to cover your employees.

There are other specialty insurances you may need. For instance, with Wise Coatings, we have big $20,000 grinders in our vehicles.

Automobile insurance alone doesn't cover all the equipment in those vehicles, so we use a marine insurance policy to cover additional equipment.

If you're in professional services, like accounting, you may need errors and omissions insurance to protect against mistakes or omissions made by you or your employees.

Again, not the sexiest topic, but insurance is a necessary requirement. Do your due diligence, research the insurance you need for your business, and get those things set up when you're starting.

We'll see you in the next lesson.

Summary of Key Points:

- **General Liability Insurance:**
    - Essential for most businesses
    - Rates vary based on liability risk
- **Workers' Compensation Insurance:**
    - Higher rates for high-risk industries
- **Shopping for Insurance:**
    - Get multiple quotes and compare
    - Ensure policies cover what you need without unnecessary extras
- **Automobile Insurance:**
    - Necessary for businesses with work vehicles
    - Obtain business insurance policies for employee-driven vehicles
- **Specialty Insurances:**
    - Marine insurance for expensive equipment in vehicles
    - Errors and omissions insurance for professional services
- **Due Diligence:**
    - Research and understand the insurance requirements for your business
    - Include a reliable insurance advisor in your inner circle