

A Guide to Business Insurance

With so many schemes currently available it is very important to seek professional assistance from a suitably qualified expert. Businesses that fail to safeguard against a wide range of events are leaving themselves exposed.

Most companies have some or all of the following:

- Public & Employers Liability Insurance
- Business Buildings & Interruption Cover
- Key Man Life Assurance Insurance for Business Owners, Directors and Key Staff
- Self Employed Income Protection Insurance

What insurance do I need?

Nearly all businesses need some form of commercial insurance to cover against a wide range of general and sector-specific risks. Some forms of business insurance are legal requirements (e.g. Employers and Public Liability Insurance) and other insurances are considered to be a strategic and prudent part of business to protect against loss, damage or disruption (e.g. Premises & IT Insurance / Key Man Insurance and Income Protection)

The best way to understand the best types of insurance cover for your business is to discuss your needs with a business insurance specialist who is authorised and regulated by the FSA (Financial Services Authority). Contact us and we can arrange a specialist review with a suitably qualified insurance professional.

There are five main categories of commercial insurance:

Building Insurance

For businesses with premises, taking out a suitable insurance policy will ensure they are covered for damage from a variety of causes. Most standard contracts will insure the buildings and premises for a range of risks including:

- Fire and Lightning
- Explosion
- Riot
- Malicious Damage
- Storms and Floods
- Damage caused by vehicles

This type of policy is for the structure not the content, and can also include Property Owners Liability. It can also cover the Glass (fixed) and Sanitary-ware (toilets and sinks) as well as intangibles such as loss of rental income (both payable and receivable).

Business Contents and Computer Insurance

Premises insurance only covers the physical building, so businesses also require separate insurance cover for Stock, Machinery and any IT and Telecoms equipment.

This type of cover is for contents within the business premises although it can also cover those articles taken outside the place of work, often anywhere in the world (e.g. laptops, tablet computers, mobile phones, PDA's and notebooks). Many firms also include a Business Interruption policy that insures against loss of profit and higher overheads resulting, for example, from damaged machinery.

Liability Insurance

This type of cover is often a legal requirements and can include Employers Liability Insurance, Public Liability Insurance, Products Liability Insurance, Professional Indemnity and Commercial Legal Expenses insurance. These insurances can either be bought as a commercial combined insurance or as part of a combined liability insurance package.

Business Car and Van Insurance

Anyone using a vehicle for business purposes will need to buy business vehicle insurance to safeguard against accidents, thefts and vandalism. There are many different types of business car and van insurance policies which will depend upon how often the vehicle is used for business purposes, the type of vehicle and the drivers themselves.

Commercial vehicle insurance does tend to be a little more expensive than regular car insurance because drivers are generally on the road more and they may have more expensive equipment contained within them and therefore may be targeted for theft.

Key Man Insurance Protection

44% of business owners questioned said that their business would fold within 12 months of the death or critical illness of a key person. (Source: British Chamber of Commerce in April 2009)

Key Man Insurance is a Life and/or Disability Policy taken out by the business as a beneficiary in the event of death, injury or disability to a particular business owner, director or key employee. In the event of the individual's death, serious illness or injury, the company would receive a fixed amount of money. The money would typically be used to cover the cost of recruiting and training a new employee, to compensate the business for lost revenues or to allow the surviving shareholders to purchase the deceased's share of the business.

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