



# Business Insurance Guide

*Prepare Now for a Successful Review*



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## The Business Owner's Guide to Business Insurance

A simple explanation of what you need, why you need it, and how to avoid expensive mistakes. Running a business already comes with risk — employees, customers, property, vehicles, contracts, and money moving in and out every day.

**Business insurance exists for one main reason:** To keep one bad day from becoming the day your business ends. Many owners believe insurance is just a requirement from a landlord, a bank, or a contract. In reality, good insurance is a financial protection plan for everything you've worked years to build.

Let's walk through it in plain English.

### Why Businesses Actually Get Into Trouble

Most businesses don't close because they stop getting customers.

They close because of one unexpected financial hit they couldn't recover from.

Here are the most common real-world situations:

- An employee accidentally damages a customer's property
  - A customer slips and falls
  - A job is completed but later causes damage
  - A lawsuit (even a weak one) forces legal defense costs
  - Fire, storm, or theft shuts the business down
  - A vehicle accident involving an employee
  - A cyber breach or stolen client data
  - An injured employee
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### **Notice something important:**

Many of these don't require you to do anything wrong. You just have to be involved. That is exactly what insurance is designed to protect.

## **The Core Business Insurance Coverages (The Ones Every Business Should Understand)**

### **1. General Liability Insurance**

This is the foundation of business insurance.

It protects you when your business causes bodily injury or property damage to someone else.

#### **Examples:**

- Customer slips in your office
- Technician breaks a client's equipment
- You damage a client's property while working
- A lawsuit claims your work caused damage later

It also covers legal defense — which is often the most expensive part.

#### **Many business owners don't realize this:**

You can win a lawsuit and still spend \$25,000–\$75,000 defending it. General liability pays for the lawyer.

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## 2. Commercial Property Insurance

This protects the physical things your business owns.

- Building (if you own it)
- Equipment
- Tools
- Inventory
- Furniture
- Computers

### **A major misunderstanding:**

Your landlord's insurance does not protect your business property. Their policy protects the building – not what you brought inside it.

## 3. Business Interruption Insurance

This is one of the most important coverages – and one of the most overlooked. If a fire, storm, or covered loss forces you to close temporarily:

### **This coverage replaces your income.**

It can pay for:

- Lost revenue
- Payroll
- Rent
- Operating expenses

Many businesses survive the damage...but fail during the months with no income. This coverage is what keeps a temporary shutdown from becoming permanent.

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## 4. Workers' Compensation

Required when you have employees.

It pays for:

- Medical bills
- Lost wages
- Rehabilitation
- Disability benefits

### **Important truth:**

Workers' comp doesn't just protect employees. It protects the owner from being personally sued after an injury. Without it, one serious workplace injury can threaten both the business and personal assets.

## 5. Commercial Auto Insurance

If a vehicle is used for business, personal auto insurance will often deny a claim.

This includes:

- Company vehicles
- Employee driving to job sites
- Picking up materials
- Deliveries

### **A very common uncovered claim:**

An employee causes an accident while running a work errand in their own vehicle. That situation requires a special coverage called Hired and Non-Owned Auto — something many owners don't know exists.

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## **6. Professional Liability (Errors & Omissions)**

This protects advice, services, and professional work.

It covers claims such as:

- Mistakes
- Oversights
- Missed deadlines
- Incorrect work
- Failure to perform services properly

If your business provides expertise, guidance, or specialized services — this is critical. General liability covers accidents. Professional liability covers decisions.

## **7. Cyber Liability Insurance**

**Today almost every business stores:**

- Emails
- Customer data
- Payment information
- Employee records

A cyber attack no longer targets only large companies.

Small businesses are now common targets because they have weaker protections.

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## **Cyber insurance helps cover:**

- Data breach response
- Notification costs
- Legal defense
- Ransomware payments
- System restoration

Many owners are surprised to learn their standard business policy usually does not cover cyber incidents.

## **The Biggest Mistakes Business Owners Make**

1. Buying insurance based only on price
2. Cheap policies often leave large coverage gaps.
3. Using the same coverage year after year
4. Businesses grow, but policies often stay unchanged.
5. Assuming contracts or landlords determine proper coverage
6. They only protect themselves — not you.
7. Not understanding exclusions
8. Insurance problems rarely come from what a policy says...
9. they come from what it doesn't say.

## **What a Good Insurance Review Should Do**

### **A proper business insurance review should:**

- Identify risks specific to your operations
- Make sure contracts don't expose you
- Verify coverage limits are adequate
- Coordinate workers comp, liability, and auto together
- Explain your coverage in plain language

You should leave understanding what you have — not just what you pay.

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## Final Thought

You didn't build your business overnight. But a lawsuit, fire, or major accident can impact it overnight. Insurance is not just a policy. It is a plan to make sure one bad event does not undo years of effort.

If you're unsure whether your current coverage actually protects your business, that's exactly when a review makes the most sense. A short conversation now is far easier than a difficult one after a claim.

Schedule a Business Insurance Review Today



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