



## Protect your livelihood and your home

Just because you operate a business in your home does not mean your business exposures are covered. If you own a business in your home, preparing today with the right insurance coverage may be the difference between its success and failure tomorrow. A Homeowner's Insurance policy is designed to cover personal exposures – not business exposures. Here's what you need to know to make sure you've got all your business insurance bases covered.

### What's your risk?

To understand your exposures, it's important to review your property value and business exposures. To get you thinking, here's a list of questions to consider:

- How much is your equipment worth? Conduct an inventory, listing everything you use to operate your business
- Does the service or product that you provide create extra liability? For example, what if you made an error or omission? Do you serve alcohol? What if your product is defective? Do you take possession of your customers' property?
- Do you stock inventory? If so, make a list of the materials and products that you sell and, if you do any of the manufacturing, the materials used to make them.
- What about vehicles? Any vehicle used for business purposes must be insured, even if it's personally owned.
- Do you, or your employees, perform work in customers' homes? If so, a third-party fidelity bond will pay for losses due to fraudulent acts, such as theft.
- Do you have employees? If so, you need the appropriate Workers' Compensation coverage as required by the state.



### Coverage option 1, 2 or 3?

Based on your business needs, you have three basic coverage options to choose from, depending on your level of risk:

1. **Homeowners Policy Endorsement.** This provides the least amount of coverage and, therefore, is not ideal for most home-based businesses (depending on the level of risk). While it may provide enough coverage for a freelance writer with one computer and no business foot traffic, it's not enough for someone who employs others, has clients visiting his/her home, has valuable business equipment and/or inventory, etc.
2. **In-Home Business Policy.** More comprehensive than a Homeowner's policy endorsement, In-Home Business coverage is a stand-alone policy that provides higher amounts of coverage for business equipment and liability.
3. **Business Owners Policy, or BOP.** A BOP bundles property and liability insurance into one policy. Created specifically for the small- to mid-size business, a BOP covers your business property and equipment, loss of income, extra expense and liability. It is the most comprehensive property and liability option. It does not include workers' compensation, health or disability insurance, which are available as separate policies

Properly insuring your home-based business is crucial to protecting both your business and your home. At Millhiser Smith Agency, we understand the small business owner's personal and business needs, and can help you tailor coverage that's as unique as the products and services you provide. Contact us today at 319.365.8611 to learn more about how we can help you insure your livelihood.

**MillhiserSmith**

Disclaimer: This brochure is provided for informational purposes only. The information provided herein is not intended to be exhaustive, nor should it be construed as advice regarding coverage. Eligibility for coverage is not guaranteed and all coverages are limited to the terms and conditions contained in the applicable policy.