

Protect Your Home Based IT Business with Internet Insurance

Recently, home based businesses have been on the rise. The ease of starting up a company in the convenience of the home is an inviting temptation. Not only do you have an instant office, but going to work is literally a step away. Though there are a variety of benefits to owning a home based business, certain things such as insurance can become a complication. Many home based business owners are under the assumption that their homeowner's policy will cover the company in case of disaster. However, this assumption is only half way true. Though your homeowners policy may cover a small amount of damages done on the property and even smaller off the property, it would not cover you if a customer or business associate fell and was hurt. Thus, additional insurance for your home based business is extremely important. Many Internet insurance companies now specialize in home based businesses and home based Information Technology business making it is easy to obtain security from a professional Internet insurance company.

Types of Insurance for Your Home Based Business

A BOP (Business Owner's Policy) is a type of packaged business insurance that is very common among small and middle sized business owners. Many times a BOP will provide coverage for most risks that you'll take as a home based business, however, many business owners and insurance agents advise that you start with a BOP and add on separate insurance for extra security. A BOP generally includes:

- General Liability – Whether or not you purchase a BOP, you should consider some sort of general liability insurance. As customers, delivery personnel, and anyone else involved in your business probably will visit your home on occasion it is important to have some sort of insurance set up in case they get hurt. General liability insurance will cover you in the unfortunate case that someone is injured while on your premises.
- Property Insurance - Also included in the BOP, this type of insurance, as is implied, covers any accidents that might damage your property. Therefore, such things as the building (your home) and its contents are covered in case of theft or accident.
- Business Interruption – This provides you with compensation for any profits that could have been made or costs accumulated due to the building in which you work and its contents being deemed unusable. Therefore if there was a fire in your home and it can not be used for work, the insurance company would provide you with any profits that could have been made, and in some cases pay for an alternate workplace.

Though the BOP covers a good deal of claims that could occur there are also a few other coverage's that you might want to consider for your home business.

- Workers Compensation – If you have any employees working out of your home then workers compensation it imperative. This covers any medical expenses that might occur from an employee being injured in your home. Salary that the employee would have received is also covered during the time needed to recover away from work.
- Professional Liability Insurance – Separate from general liability insurance, this type of insurance covers any claims a client might make due to neglect or failure on your part. Thus, a customer might make a claim against you if they feel the job or service you provided was not up to expectation, or if any damage was done during the job. Many Internet insurance companies refer to this as errors and omissions insurance.
- Umbrella Liability – Umbrella insurance provides additional coverage after the limits of your other liability insurance have been reached. Therefore, it acts as extra insurance for more security.

More to Consider

There are a couple other options available when it comes to making sure your home based business is properly insured. An endorsement on your homeowner's policy can usually made which increases the policy limits for equipment for a small extra monthly fee. These are usually available for businesses with small amount of money generated in annual receipts.

Another option is an in home business policy. Many Internet insurance companies will offer this type of policy that insures your property and includes general liability as well. Therefore, if you have a fire or flood occur in your home, your in home business policy will cover any loss of income and extra expenses while the house in deemed not usable.

One other insurance to consider when operating a home based business is health insurance. Since you will no longer have insurance through the previous company you worked for it is important to have some sort of health plan set up for you and your employees.

Cost of Insurance

Creating a standard insurance plan for your home based business with some sort of general liability insurance could save your business. It only takes

one lawsuit or claim to put your business and personal assets in danger. Many small business owners might ignore the thought of insurance due to the high premiums associated with it. However, the cost of not having insurance through an extensive and expensive litigation, along with compensation could cost the business its livelihood and put you in debt.

Choosing the right type of insurance coverage for you home based IT company can be a difficult process. Consult with an Internet insurance firm to best determine what kinds of insurance will be best for your company.

About the Author

James Cochran, owner of Techinsurance.com, is an [Internet insurance](#) agent specializing in the Information Technology industry. Over 15 years of experience, he founded Techinsurance in 1997 to provide insurance products for IT professionals. Techinsurance has grown to become one of America's leading online providers of Professional and [general liability insurance](#).

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