Questions about insurance?

10 What can I do to keep my insurance costs down?

Choose the highest deductible you can afford. Manage your risks for potential losses. If you are a professional, keep your credentials and skills up-to-date to be sure your advice and services are sound. Your insurance representative has a vested interest in minimizing the frequency and severity of losses, so ask for an inspection of your premises to help identify any exposures to damage or theft.

Protect your computer hardware, software and files by ensuring you have current virus protection software on your email system and a firewall to block hackers. Have a backup plan in case of a power failure. Use only suppliers that have similarly adequate backup support. Keep duplicate records and files in a location outside your business such as a bank safety deposit box. If it’s appropriate to your business, consider installing sprinklers, an alarm system and a control system for handling cash.

Remember, there is no such thing as a dumb question, so don’t hold back!

Understand your insurance. Make it your policy.

For more information about commercial insurance in your region, get in touch with your insurance representative, or contact Insurance Bureau of Canada at one of the numbers listed in this brochure or at www.ibc.ca.

Ask your insurance representative if there are discounts available for these or other provisions.

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injured workers for lost income, health care costs and other costs stemming from a work-related injury, employers who have it are protected from being sued by workers if they are injured on the job.

2 Are there perils for which I can’t buy insurance?

Some policies provide more coverage than others but no policy covers everything that could go wrong. Insurance is available to protect you from loss or damage from unforeseeable events. Wear and tear, for example, cannot be insured. Losses or damage caused by acts of terrorism are unlikely to be covered by your insurer. Pollution coverage may not be available depending on your business.

3 Are there circumstances under which water damage would be covered?

Yes, but it depends on the coverage you purchased. Water damage is one of the major causes of loss. Different insurance options may be available. For example, inventory destroyed by water gushing from a broken water pipe or water entering from openings caused by an insured peril, such as wind, may be covered. You may be able to purchase sewer backup insurance, depending on your circumstances, to cover damage from water or raw sewage backing up through your drains.

4 Do I have to take what’s offered?

No. Speak with your insurance representative to ensure all possible avenues for coverage have been explored. He or she understands what options are available and can help provide you with the best selection and price. Some insurers offer an endorsement for such events, commercial liability insurance would cover most damages against you and would pay the legal costs to defend you in a lawsuit.

5 Will my homeowner’s policy cover my business?

Your homeowner’s policy is not designed to adequately cover your business, regardless of how large or small your business may be. Some insurers offer an endorsement for small home-based businesses. Commercial insurance is the best option for any business. You must also advise your homeowner insurance representative when you start a home-based business such as a daycare. Your home is no longer what it was when you originally insured it: it’s now a home and a business.

6 If my business is home-based, do I need liability coverage?

Yes. Liability is perhaps the greatest risk with a home business. Most businesses provide some product or service for which they are liable. For example, a courier may slip and be injured on your icy walkway while delivering a package addressed to your home business, such as wind, may be covered. You may be able to purchase sewer backup insurance, depending on your circumstances, to cover damage from water or raw sewage backing up through your drains.

7 What does errors and omissions or malpractice insurance cover?

If you are paid to provide professional advice, you need “errors and omissions insurance.” If you give a client professional advice and the advice is inaccurate or incomplete and the client’s business suffers as a result, errors and omissions insurance will cover the damages and defence. “Malpractice insurance” will cover you if you provide a service that goes awry. For example, a hairdresser or dog groomer may come into contact with a client’s pet and would pay the legal costs to defend you in a lawsuit.

8 What is business interruption insurance? What does it cover and do I need it?

Depending on the policy limits you select, business interruption insurance covers what your business would have earned during the period of shutdown following an insured loss plus continuing expenses. For example, if your garage business shuts down because an insured loss, you would collect the income you would have expected from repairing cars during that period. Expenses you no longer have to pay while your business is closed would be covered. Alternatively, extra expense insurance is available to cover expenses to get your business operating immediately following an insured loss. For example, you may need to rent equipment or lease temporary space in order to get your business up and running.

9 What is a deductible and how does it affect my premiums?

The higher the deductible (the portion of a claim that you have to pay), the lower the premium (the cost of your insurance). Compare premiums with different deductibles, then decide whether the lower premium is worth the higher amount you would have to pay out of pocket if you had a claim.