

9 Insurances You Need to Protect Your Business

Before you [start a business](#), you have to check many considerations. To [grow a business](#), no matter how big or small, many things can go wrong that could incur damages to properties and financial assets. For that reason, business insurances are present and must be obtained by every business owner. So if you want to launch your own business soon, get to know the various insurances you'll need to obtain for the protection of your future business.

What Is Business Insurance?

First of all, business insurances protect businesses from financial losses, incurred by property damages due to accidents or unfortunate events during the course of business operations. This type of insurance will cover the expenditures needed for the business to recover and get back on its feet. Purchasing business insurances should be a part of every business owner's [startup costs](#) and for optimal [risk management](#) purposes.

Why Business Insurance Is Needed

Here are a few quick points why you need business insurance:

- Protection from breach of [contract](#)
- Strengthen business structure
- Optimize risk management
- Protection from significant financial losses
- Business recovery from unfortunate events

Without further ado, here are nine insurances to protect your business from risks, damages, and other suspicious entities.

General Liability Insurance

General liability insurance, from the word "general", covers basically everything in a business or anything that might occur within or relating to it. This type of business insurance will resolve expenditures to fix damages and issues, whatever they might be. However, general liability insurances have limits. Some of them can't cover the entire costs to fix damages, only a percentage of it. But still, every business must include general liability insurance investments on their [budget](#). According to an article from TechInsurance.com, general liability insurance usually costs around \$500 to \$900 a

year for small businesses with few employees. For larger businesses, the yearly proposal price is higher.

Property Insurance

The risk of accidents and disasters in a location, such as fires, earthquakes, storms, and floods, are imminent dangers that'll likely cause property damages. And as we all know, owning a property for your business establishment isn't cheap, let alone building one. For that reason, you should obtain property insurance. Property insurances will cover the expenses needed to rebuild and fix damaged infrastructures, vehicles, and equipment. Aside from accidents and disasters, damages caused by theft and burglary are also covered by property insurance.

Commercial Automobile Insurance

Commercial automobile insurance covers the damages of the business's vehicles, such as cars, trucks, vans, and motorcycles. Because vehicles are highly expensive assets of your business, with some you need to pay monthly, it should be mandatory for you to have commercial automobile insurance. You need your vehicles to have insurance because, without them, you won't be able to deliver supplies or receive supplies necessary for the [productivity](#) of your business operations. Damages also covered by automobile insurance are vandalism, theft, and burglary.

Professional Liability Insurance

Professional liability insurance directly protects you, the business owner, from financial damages caused by the lawsuits filed by customers or clients against your business. You definitely need this kind of insurance. Lawsuits from clients and customers affect your business as a whole and your reputation as a businessman. Your professional liability insurance will kick in if the charges against your business are proven to be true after thorough analysis and investigations.

Workers' Compensation Insurance

In the [accounting processes of your business](#), the [payroll](#) of your workers is a huge part of them. When it comes to the protection of your business, your workers should be included. That's why you must obtain workers' compensation insurance. This type of insurance covers the medical expenses for ill and injured workers. Other than that, the insurance will also pay the wages of workers who are on sick leave temporarily.

Business Owner's Policy

Business owner's policy insurance is a combination of property insurance and general liability insurance. In other words, it's basically an insurance package. That said, a business owner's policy insurance covers every significant property in your business. You might need it for all kinds of predicaments that might occur over the course of operations.

Product Liability Insurance

Product liability insurance will protect the reputation of your products against claims that they caused damage and injury. Should they be true, the product liability insurance ensures that you don't need to pay expenses for damages. This type of insurance is also necessary for the protection of your products' reputation and profitability. Your products are your primary source of revenue. So, you must protect them by any means necessary.

Business Interruption Insurance

Business interruption insurance covers loss of revenue and profit that your business will suffer caused by disasters and other forces hindering your operations. So if such events arise, you don't have to worry about losing income if you've obtained business interruption insurance. We never know when they will happen. Hence, it's absolutely advisable to invest in business interruption insurance. It also covers expenditures for fixing and rebuilding properties caused by disasters.

Business Legal Protection Insurance

Business legal protection insurance covers the expenses needed in filing lawsuits against third-party entities that caused damage to any component of your business. Court expenses for these kinds of legal matters are very expensive that your business income alone will be jeopardized. For that reason, you need business legal protection insurance. Having this type of business insurance is more of a right rather than a privilege. You need to protect your business at all times from other elements.

Most businessmen tend to focus on earning profit from their business and making themselves wealthy in the process. However, it's a good mindset to have as a businessman. But, they should not overlook the importance of business insurance if they want their business to continue despite dire circumstances. That being said, you should try to invest as much as you can in business insurance. Some of them are quite costly.

But what's more costly is your business not being able to recover from accidents, disasters, thefts, and lawsuit issues.