Is Your Business Covered by Your Home Insurance?

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If you run your business from home then you will need to think carefully about the issue of insurance because it is important that you are properly covered. Home insurance is one of the types of insurance you will need to consider in relation to your business as while some aspects of your business might be covered by your existing insurance, you might need to get additional cover for other parts of it.

Business versus domestic use

Whether your home insurance covers you for business use will depend on the specific policy you have got; even if you are fairly sure that you are covered by your current insurer, it is worth calling them just to check. This matters because some insurers will only cover you for exclusively domestic issues and so might require you to have entirely separate insurance for your business.

However, other insurers might be able to cover part of your business. For example, if you are using your home computer to carry out many of your business transactions and this is already covered under your existing contents insurance then it is likely to be fine for business use. This means that if you are running a small business from your spare room that doesnâ€™t require you to use any specialist or additional equipment to that which is already covered under your home insurance policy, you might well already have sufficient cover.

This, though, is not always the case because some insurers might take the view that running your business from home increases your likelihood of making an insurance claim. Therefore, they might require you to take out a specific business component to add on to your current home insurance to take account of the fact you are using your home for both business and domestic use.

Seeking extra insurance

If you are running a business, there are also likely to be other issues you need to think about, which is one of the main reasons home insurance often isnâ€™t enough to protect you. For example, many businesses require you to use specialist equipment or software. Since these items will be exclusively or at least almost entirely for your business, they will not be covered by your home insurance and so you would find it very hard to make a claim against them in the event of anything going wrong.

Also, as a business owner, you have a duty to protect anyone who comes into contact with your company and this includes people who visit your property in relation to the business. If you have people visiting you at home, such as clients, you will need public liability insurance. If you have any employees through your business then you will also be required to take out employee liability insurance to protect them while they are working for you. This definitely wonâ€™t be available on your current home insurance and so you will need to source a separate policy.

Depending on the kind of work you do, you might also require professional indemnity insurance to protect you in the event of any claims being made against you. Again, this is a separate type of insurance. Therefore, even though home insurance might cover part of your business, it is unlikely to be the only type of insurance you need for business purposes.

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