Business insurance protects companies from financial losses, lawsuits, and unexpected costs arising from accidents, natural disasters, or daily operations. It safeguards assets, property, and income, often including mandatory coverages like workers' compensation. Key types include general liability, property, and professional liability insurance.

Key Coverage Types:

- General Liability: Covers bodily injury, property damage, and advertising injury to third parties.
- Commercial Property: Protects physical assets like buildings, inventory, and tools from fire, theft, or vandalism.
- Business Interruption: Replaces lost income and pays operating expenses if the business shuts down due to a covered loss.
- Workers' Compensation: Mandatory in most states for businesses with employees, covering medical expenses and lost wages for work-related injuries.
- Professional Liability (Errors & Omissions): Protects against claims of negligence or mistakes in services provided.
- Cybersecurity Insurance: Covers financial damages from data breaches or cyberattacks.

Why It Is Needed:

- Risk Management: Shields against lawsuits and unexpected accidents that could shut down operations.
- Legal Requirements: Federal law requires coverage for employees, while states may mandate others.
- Asset Protection: Ensures personal assets of owners are not used to cover business liabilities.

Common Policies:

- Business Owner's Policy (BOP): Combines general liability and property insurance, typically for small businesses.
- Commercial Auto: Covers vehicles used for business purposes.

It is recommended to tailor insurance to specific business risks to avoid high out-of-pocket expenses.