



101 GUIDE

Business insurance

A business owner like you has a lot on your plate. Taking care of your employees, overseeing production, and preparing your company for growth—the tasks are seemingly endless. But, as you know, the importance of suitable insurance cannot be ignored. Many businesses don't reopen after catastrophes, and those that do often fail within a year. Much of this can be attributed to a lack of strong, reliable business insurance. Ultimately, if your business isn't properly protected, the years of hard work you've put in may not make much difference.

WHY CONSIDER BUSINESS INSURANCE?

Simply put, if you do any of the following, then choosing the right insurance policy is crucial to your business's long-term success:

- Host your business in a physical location or building
- Employ key people whose contributions are necessary for business success
- Monitor the potential loss of assets (physical, digital, or intellectual)
- Retain employees whose main sources of income come from your business
- Operate in a competitive job market, with prospects who want to work for a stable company

The reasons for purchasing business insurance are clear. But what types of business insurance are right for you? What do you need to know to make sure your business is prepared to face unexpected adversity? These guides address some areas to consider.

Assessing your options

As you begin shopping for business insurance, you'll quickly realize how much is out there. To help you make sense of it all, we've created the following overview of some of the most important coverages you should be aware of as you customize your policies.

Business property insurance

Business property insurance primarily covers the building and the contents within.

Business income, or business interruption, insurance can be added to a property insurance policy. In case of a disaster, it can cover lost profits, fixed costs, and potentially a temporary location, so loss of income can be minimized during rebuilding.

Exclusions to basic policies—and how well your business is equipped to deal with them—could affect your ability to reopen or continue operations after a loss. Most providers offer enhancements or endorsements to cover these perils, so be sure to check with your provider and customize your policy to fit your company's size, location, and industry.



Business life insurance

Your key employees may very well be your business's most valuable assets. Business life insurance policies help your business move forward in case something happens to you—the business owner—or one of your key employees. While not required by law, these policies are valuable because they:

- Protect personal or family assets
- Offer the ability to maintain business value in case of leadership changes
- Cover key personnel
- Safeguard against outstanding debt

Business life insurance policies are usually separated into term and whole life policies. Term policies provide coverage for a set period of time, such as 10, 15, 20, or 30 years. Determining the term period is often based on the amount of time that coverage is needed for a particular need such as key person coverage or protection for business debt. Whole life policies are also referred to as permanent policies, and cover an individual for his or her entire lifetime.

Liability insurance

Liability insurance protects your business when an injury occurs as a result of something you're found liable for. This can range from a burn caused by a spilled cup of coffee, to a serious injury or death due to unsafe conditions. Proof of liability insurance is often required by law, and typically covers:

- Bodily Injury
- Advertising injury
- Property damage
- Personal injury

Workers' compensation

This type of insurance is needed in case an employee is injured, at work or off-site, while performing duties directly related to their job. Coverage requirements vary by state, but typically ensure that the employee receives the medical attention and compensation they require during the length of their leave of absence. Workers' compensation covers an employee's absence for both medical leave and disability.

FINDING THE RIGHT FIT

Working with a single provider

In your personal life, you might purchase your health insurance through your employer's provider, auto insurance through an online provider, and homeowner's insurance through a local agency. For business insurance, on the other hand, businesses often purchase all coverages through a single provider. You have enough to take care of at work—why worry about trying to communicate with a number of different agents? Working with a single provider means your agent is able to get to know your business thoroughly, which in turn helps you customize a program that fits you and your employees.

Utilizing risk management services

Insurance providers often incorporate risk management services into other coverages for businesses. Also called safety services or loss control programs, risk management options help your company focus on creating a culture of safety. With the right plan, you can have access to a knowledgeable team who will work with your business, guide your team through risk scenarios, and assess your business's environmental and occupational health hazards. In doing so, they can help you reduce your losses by working to prevent problems from happening in the first place.

Evaluating the right pricing setup

Pricing can be a factor in selecting a provider and determining the appropriate policy for your business. For example, a higher deductible means lower premiums—but is your business prepared to pay this higher deductible in a time of crisis?

For more information, check out [sentry.com](https://www.sentry.com).

Or to talk to a representative, call 800-4SENTRY (800-473-6879).

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