



## Business and your Home Insurance

### . Is there liability insurance for a business exposure on a home policy?

- If there is an office in a home and the insured works from home as a remote worker and the office is simply for them and no public person or employees come to the residence then there is no exclusion and this would not be considered business use and covered. The coverage would not extend to cover the business itself, but would cover and defend the insured personally or members of his resident family.
- **For every other use the answer is NO.** No coverage unless the business exposure is understood, documented and the insurance company underwriter agrees that this is covered either free or by endorsement in the policy. If there are gross income limitations, be sure to have them clearly stated. There should be no corp. or LLC as that would also be NO.
- Home insurance allows, "Especially for children", incidental small income earning opportunities which would be considered included or covered. If a son or daughter baby sits for a neighbor or friend periodically, there is no exclusion for this. If a son or daughter push mows the neighbor's yard and earns \$20 per week in the summer, there is no exclusion for this.
- Some policies may put a specific dollar amount of earnings, others may talk about occasional or incidental approved business activities in the policy. Please read the policy carefully, but let the insurance company underwriter make a determination if there is any question.
- **Some kinds of home businesses can be added to a home insurance policy and provide excellent coverage both for liability and for business personal property.**

### Is there any free business personal property coverage on a home policy?

- On premises business personal property usually has a limit of \$1,000 to \$2,500, but motorized business property would still be excluded. Refer to the policy for the limit.
- Off premises business personal property usually has a smaller limit of \$500 to \$1,000, but motorized business property would still be excluded. Refer to the policy for the limit.

### Is there coverage on detached structures, "coverage B", if they have business personal property in them?

- If an insured brings a business private passenger type auto home & house it in the detached structure, will the building be covered? **Assume No**, but call the company. This is generally considered acceptable and covered in many home policies free. This assumes the company likes the use and overall condition of the detached structure, another reason why the company is supplied with full information, including photos.
- If the insured rents out space in the structure for garage storage of another auto is it covered? **Assume No**, but call.

- If an insured stores business personal property, is the building covered? **Assume no**, but if it is incidental and of no flammable or fire hazard it may be acceptable, but call.
- If the detached structure is used for the family horse or two cows and hay for the winter, would this be considered covered? Generally the answer is yes, but **assume NO** and have good documentation that the insurance company understands the risk. They need good documentation as to size, condition and use of all detached structures.

Remember that other structures coverage can be increased, same for business personal property.

Remember that some kinds of home businesses can best be covered by endorsement to the home policy and other kinds of home businesses may need their own business package policy which TRICOR can also do.