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Black Wall Street Evaluation of Insurance Quotes

Once you receive back your insurance quotes for general liability and professional liability insurance, here's some of what you want to look at for each quote:

Line of Business — what kind of policy they are providing you with, such as business owner's, which is a broad scope for business liability options, professional liability, or other.

Insurance company — this is the insurance company you will be insured by, such as Chubb, or Hiscox, or Allstate. You may want to do a search on the internet with the name of the company and the words reviews and "paid out claims" to see what others say about how easy they are to work with, if you do have a claim. Insurance is only valuable to the extent that it covers you in the event of a claim, and if they do not easily pay claims, it will not be valuable to you.

Examples of the top of the policy quotes from AAA, indicating that the Business Owners Policy (with general liability coverage) would be through Chubb, and the professional liability coverage would be through Hiscox. Please note that AAA is an insurance broker, which shops policies across insurance companies, as you see here:

Line of Business:	Business Owners Policy (BOP)
Carrier:	Chubb
Premium:	\$450.00
Taxes:	\$0.00
Service Fee:	\$0.00
Total Cost:	\$450.00



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Line of Business:	Professional Liability
Carrier:	Hiscox
Premium:	\$968.00
Taxes:	\$0.00
Service Fee:	\$0.00
Total Cost:	\$968.00

Policy Limits: review the coverage for each incident, as well as the aggregate (total coverage) to ensure that the limits are high enough that if you are sued, the policy will sufficiently cover damages that may occur, depending on the type of business you have. Also, confirm the deductible is low enough that if you have to come out of pocket to pay it, you'll be able to do so. Changing the policy limits + deductible amount will change the cost of your policy, so if you'd like the policy to be cheaper, raise your deductible and/or lower your policy limits, but do not raise the deductible or lower your policy limits such that the policy is no longer valuable to you, in the event that you do have a claim against you.

As you can see below in the general liability -- aggregate, this policy will cover \$2M in total claims, but as indicated in each occurrence, only \$1M per occurrence. So, if you were to have three \$1M claims against you, the insurance would not cover the 3rd.

And, as you can also see, if you rented premises, the limit is \$100k of damage. And, only \$5,000 of medical expense, which you might want to increase because if someone is physically hurt as a result of your business actions, their medical bills would likely exceed that. However, if you are not in a business that is likely to result in physical harm to someone, \$5,000 of medical expense could be just fine.



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Coverage Overview

General Liability

Coverage	Limits
General Liability - Each Occurrence:	\$1,000,000
General Liability - Aggregate:	\$2,000,000
Deductible:	\$0
Products Completed Operations Aggregate:	\$2,000,000
Damage to Premises Rented to You:	\$100,000
Medical Expense:	\$5,000

To understand the types of things a general liability policy would cover, [read this overview from the Hartford](#). Then, ask your insurance provider to give you a list of what your policy would cover, and what it would not.

According to the Hartford, your general business liability policy will cover:

- Bodily injury, such as a slip & fall
- Property damage, such as damage to someone else's property while doing work for a client
- Advertising injury, such as defamation
- Copyright infringement, such as using someone else's copyrighted work in your business without permission
- Reputational harm, which could happen if you say something negative about another business owner and harm their business as a result

But, you want to review YOUR actual policy to understand what would be covered by the policy you are purchasing.

Professional liability coverage is also known as malpractice coverage, and provides insurance for a situation in which you are doing your work for a client and make a mistake, or in which they



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believe you were negligent in your work, resulting in harm to them.

Coverage Overview

Professional Liability

Coverage	Limits
Liability Limit (Per Occurrence):	\$1,000,000
Liability Limit (Aggregate):	\$1,000,000
Deductible:	\$500

As you can see above in the professional liability coverage, this policy would cover one occurrence of “malpractice” with a total maximum payout of \$1M.

Next is to review the inclusions and exclusions, which are specific add-ons or exclusions to your business owner’s policy:



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Business Property

Coverage	Limits
Business and Personal Property:	\$5,000
Property Deductible:	\$500
Building Coverage:	Excluded
Theft of Clients Property:	\$2,500
Electronic Data:	\$10,000
Forgery Alteration:	\$2,500
Computer Operations Interruption:	\$10,000
Accounts Receivable - Off Premises:	\$5,000
Employee Dishonesty Limit:	Excluded
Valuable Papers & Records - Off Premises:	Excluded
Outdoor Property:	\$2,500
Business Income from Dependent Properties:	Included
Fire Department Service Charge:	\$2,500
Business Personal Property Temporarily in Portable Storage Units:	\$10,000

As you can see above, in this policy, for example your business and personal property would be covered up to \$5,000 with a \$500 deductible for property. And there would be no building coverage. Each of these items can typically be changed, increased or eliminated, based on your needs.

In addition, you can add on optional coverages, such as for cyber-risk (which covers you in the event of a data breach), directors and officers coverage (which protects your directors and officers from lawsuits), and even a business umbrella policy (which covers your business for claims in excess of policy limits).

If you have Independent Contractors working for you, you can either ask to be added to their general liability policy, or you can purchase an Independent Contractor General Liability policy,



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which would cover actions taken by your Independent Contractors on your behalf, which could cause harm.

And, remember, if you have employees, you absolutely want to have Employment Practices coverage.

Rather than shopping for all of these policies independently, I recommend you talk with 2 or 3 insurance brokers you'd like to consider establishing a long-term relationship with for your business insurance as a whole. You can consider your local AAA agent, Allstate agent, StateFarm agent, or even using a site like Embroker.com. While you may be able to get cheaper coverage if you shop around by type of policy, the cost of doing so far outweighs the benefits. Find an agent you like to work with who can work with you to get all the coverage you need, and then meet with your agent annually to discuss and update, as your business evolves. If you have ANY questions, talk to your Black Wall Street LIFT Business Advisor, or bring your questions to our Black Wall Street (R)Evolution Facebook Private Group for additional support.