



HISTRA INSURANCE RECOMMENDATIONS:

I. Liability

Additional liability insurance, in addition to your Household Insurance is recommended.

Ask your Insurer about a Commercial General Liability Insurance, also known as CGL insurance. It's essential for all types of small businesses. It helps protect your small business if it's found to be responsible for causing a guest, supplier, or other third party to suffer a bodily injury. IE: If a customer slips and falls walking up the steps to your house, they could file a liability claim against your business for their injuries. Coverage may also protect your small business if you (or your staff) are legally liable for causing damage to a third party's property.

CGLs are separate and unrelated to your Household Insurance. They can be tailored to your specific needs, contact your Insurer to determine if a CGL is the right choice for your rental.

II. Business Interruption Insurance

Your ability to generate sales could be threatened at any moment. With business interruption coverage, a business owner can collect the income he or she would have expected to generate were it not for the unexpected event.

Prepare for Interruptions

A bricks and mortar business can be disrupted by a **flood, windstorm, earthquake** or **fire**.

Named Perils or All Risk?

A named perils business interruption policy covers losses caused by the perils listed in your policy. An all risk policy provides protection against loss caused by any risk that is not specifically excluded from your policy.

Limited or Extended Indemnity?

The indemnity period is the time period covered for loss of business. There are two basic forms of business interruption indemnities:

1. **Limited (or earnings).** This policy pays only until the damage is repaired or the property is replaced. As soon as your business resumes, the policy stops paying even if you haven't regained your previous level of earnings. While a limited form policy is less costly than an extended policy, it may not provide adequate coverage for your business. Consider:



- a. If you are forced out of business for several months, your competitors may snap up some of your customers. As a result, when your business starts up again, you may not be generating the same level of sales as you were before the shutdown.
- b. There may be limits on the amount of time your business is covered and the amount your insurance will pay in any one month.
2. **Extended (or profits).** This form continues to pay until your business resumes its normal, pre-interruption level, subject to the maximum period of indemnity listed in your policy.

Additional Coverage

Consider if you must remain operational during the period affected by damage. You may incur extra expenses – such as outsourcing work; temporary hydro, Internet and telephone connections; advertising; rentals or the cost of moving to a different premise – if you need to carry on business at another location.

Make Decisions Before Your Business is Interrupted

The coverage you need depends on the exact nature of your business model. When considering additional coverage:

- Speak to your accountant about the effects of an interruption to your business.
- Discuss coverage options with your insurance representative.
- Be clear about your needs. Ask questions.
- Understand the coverage. Don't sign anything too quickly.
- Ask around and get opinions from others who operate in the same industry.
 - <http://www.ibc.ca/on/business/risk-management/business-interruption>
 - **INSURANCE BUREAU OF CANADA, March 2020**