

In-Home Businesses – Part Three

Many different activities are routinely run out of homes. This discussion reviews aspects of particular operations. See part one for background information on coverage basics as well as the other parts discussing different businesses.

Landlord

The homeowners policy is designed to cover landlord occupied residential buildings, landlord owned personal property, loss of rents (after a fire or other covered cause of loss), premises liability and medical payments. Note that the maximum occupancies that may be covered under an HO policy is a four-family dwelling. A dwelling policy may be used for 1-4 family structures that are not also occupied by the landlord.

For landlords with residential property containing from five to sixty units, the Businessowners policy is usually appropriate. It insures buildings, landlord personal property, loss of rents (after a fire or other covered cause of loss), premises liability and medical payments.

Most Bed and Breakfasts do not qualify for coverage either in the homeowners or dwelling insurance program. Bed and Breakfasts will require a combination of tenants coverage for the resident owner/manager, and a Businessowners policy to cover buildings, landlord owned personal property in boarders' rooms, loss of business income (rents and fees) and the extra expense to operate (after a fire or other covered cause of loss), premises liability and medical payments.

For landlords who have office or retail tenants, the Businessowners policy provides broad coverages for buildings, landlord personal property, loss of rents (after a fire or other covered cause of loss), premises liability and medical payments.

Workers compensation is necessary for any employee. Talk with your agent. Most states require workers compensation for resident managers even if you provide only free lodging as payment. Make sure you have certificates of insurance for any subcontractors (painters, plumbers etc.) you hire to do work for you. If the subcontractor has no insurance, you may be responsible for the subcontractor's work-related injuries.

Most personal automobile insurance will insure cars, vans, and pickups used in business - business use, artisan use. Larger trucks, backhoes and other contractors' equipment will need separate coverage. Some contractor equipment can be covered by the Businessowners policy, some by an auto policy. Ask your agent how best to insure your equipment.

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