

In-Home Businesses – Part Four

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.

Daycare or In-Home Schools

Coverage for abuse or sexual assault for small schools is often difficult to obtain at a reasonable price. Limited corporal punishment coverage for teachers who are employed by a school system may be available from your homeowners carrier. If you are an independent tutor or run your own school, most homeowners policies cannot be modified to include corporal punishment. Abuse and corporal punishment may be available through the association(s) that specialize in your type of school.

While the company that writes your HO policy may be willing to add an endorsement to cover piano lessons, most will not want to cover a three-to-five child daycare operation. Liability coverage may be purchased separately. Coverage for property and liability can be provided through a Businessowners policy, but none of these forms includes professional liability or abuse or corporal punishment.

Specialty schools, such as ballet, sports, personal training, animal training, or horseback riding will require specialty coverage. Again, your trade organization, or independent agent can often find you coverage at a reasonable price.

Workers compensation is essential for any person you employ.

Driving students in private vehicles or bus-like vehicles poses special problems. You must hold a Commercial Driver's license if you haul more than 16 people including the driver. Your school is probably too small to qualify for standard business auto insurance. If standard coverage is unavailable, many states have assigned risk pools and other mechanisms to provide you coverage-sometimes at reasonable prices. A good independent agent will understand these markets.

Your state will also have laws regulating the transportation of students and these laws may require a special license when transporting fewer than 16 people. Subcontracting the driving does not lessen your responsibility for a whole raft of laws from vehicle accidents, workers compensation, ADA, and whether the driver has met the new substance abuse requirements.

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