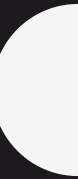


*INSURANCE NEEDS  
FOR YOUR SMALL  
BUSINESS*





# *Contents*

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- What is commercial insurance?
- \$
- # \$
- XDFYGUHIJKL
-



*Business  
Owner's  
Policy  
(BOP)*

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- **General Liability  
Coverage**
- **Business Property  
Coverage**
- **Business Interruption  
Coverage**

# *GENERAL LIABILITY*

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*AKA Commercial General Liability (CGL)*

- *For when a customer or visitor is injured at your business*
- *Can cover medical expenses and legal costs*
- *Subject to a limit*
- *Recommend limits: at least 1million/2million*

# *BUSINESS PROPERTY*

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- *Buildings, Business Personal Property (BPP) and Inland Marine (IM)*
- *Blanket or Scheduled Property*
- *Limits and Deductible*

# *BUSINESS INTERRUPTION*

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## *AKA Business Income Coverage*

- *Replaces income lost and extra expenses incurred if your business is affected by a covered peril*
- *I.e. a tornado or fire makes your office uninhabitable, could cover cost of renting a new space*
- *Subject to a limit/period of time*

# *Other Coverages You May Need*



Worker's Comp



Vehicle/Equipment



Umbrella/Excess Liability



Disability Insurance



Succession/Transition



Key Employee Coverage



Various Endorsements: Equipment Breakdown, Cyber Security, Hired Auto, Pollution Clean Up, Employment Practices, CCC, etc.



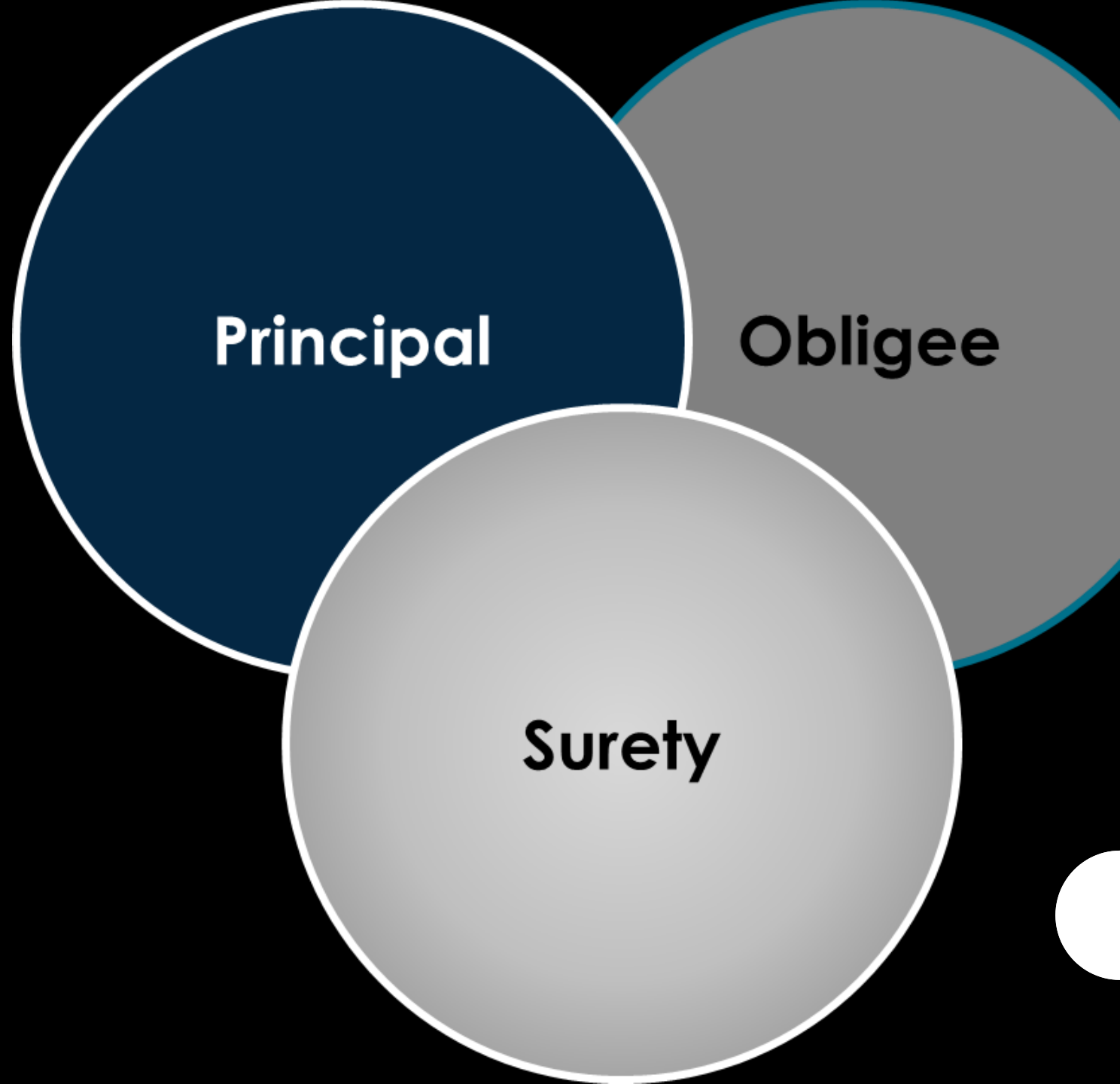
Product/Completed Operations Coverage

# *SURETY BONDS*

A surety bond is a contract between three parties—the **principal** (you), the **surety** (us) and the **obligee** (the entity requiring the bond)—in which the surety financially guarantees to an obligee that the principal will act in accordance with the terms established by the bond.



- *Surety Bonds* are another way of managing the risk of large projects
  - Where Insurance protects the insured from an unexpected loss, a bond protects a third party from default on a contract, breach of agreement, incomplete work, etc.
  - Both provided by insurance companies and are licensed and regulated by state insurance departments
- 





# *Why get a bond?*

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- **You probably have to**
  - **all federal contracts over \$150,000 and most state contracts require builders to be bonded, and most private companies prefer contractors with surety bonds.**
- **It makes you look good**
  - **If you're a successful contractor, you're dedicated to completing projects correctly, on-time, and on-budget using high-quality materials and craftsmanship while adhering to the terms in your building contracts. However, *potential clients don't know this!***
- **It vouches for you to the buyer (obligee)**
  - **The contractor must meet the surety's comprehensive underwriting standards in order to obtain a bond. If the surety doesn't think you can complete the project, they won't issue you a bond.**



# *Common Contractor Bonds*

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## **1. Bid Bonds**

ensure that contractors will submit serious bid proposals. Bid bonds are there to put the project developer's mind at ease knowing that bidders have the financial stability needed to accept the job. If a bid is chosen and the contractor turns down the job, the project developer will be able to make a claim on the bond to regain the difference between that bid and the next highest one.

## **2. Payment Bonds**

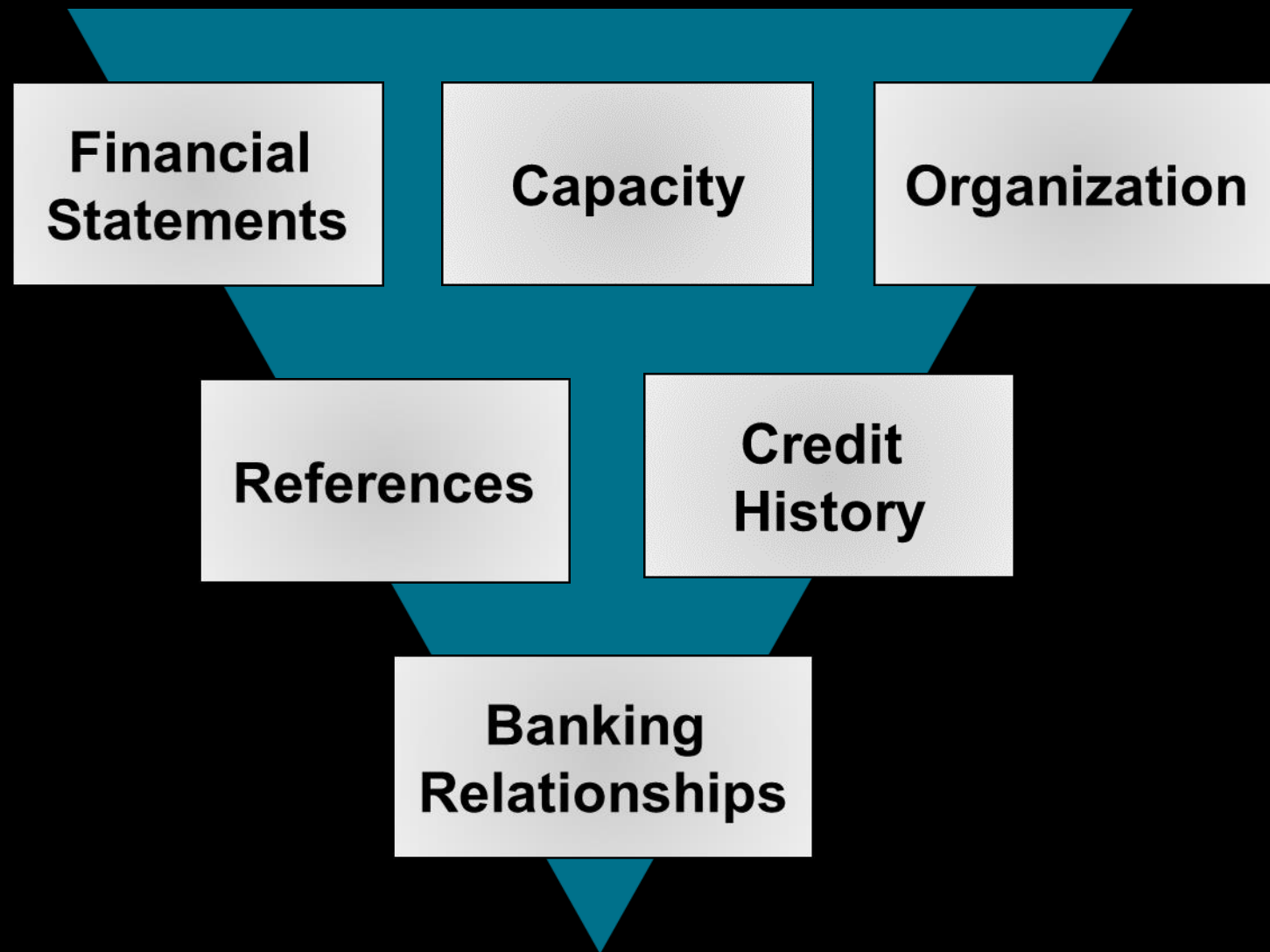
guarantee the correct payment for services if the contractor goes bankrupt while working on the project. The bond amount will be able to repay the subcontractors and suppliers who were working on the project if the contractor is not able to pay them.

## **3. Performance Bonds**

ensures that a contractor will finish the project in compliance with the contractual agreement. If a contractor fails to do this, the project developer can make a claim on the bond to receive the money and use it to pay for a second contractor to complete the project.

# *Getting Bonded—*

*don't leave it until the last second*



# *SOME GOOD RESOURCES*

*Surety.org*

*The Surety and Fidelity Association of America*

*Thebalancesmb.com*

*The Balance Small Business*

*ASK ME ALL THE  
QUESTIONS!*



**DAVIS**  
**INSURANCE**  
G R O U P



# GET IN TOUCH!



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