

A Simple Guide to Home Business Insurance

There are now over 2.5 million home businesses in the UK (according to research carried out by Enterprise Nation, the UK's largest website for home based business). The evidence is clear – this is fast becoming a growing sector in the UK small business community.

The current economic climate combined with advances in technology are undoubtedly encouraging more and more people to establish home based businesses to thrive and compete in today's environment.

Unfortunately many people take home business insurance for granted thinking that their traditional buildings and contents insurance will provide cover for their business. Home business owners need to ensure that they are fully covered for every eventuality including loss of stock through to an employee fatality which may make them and their business liable. Even a husband and wife business working from home will be need to ensure they have appropriate liability cover in place.

Buildings Insurance

This policy helps to cover the costs of repairing or rebuilding your home if it is damaged or destroyed.

When setting up your home based business you should always contact your insurance provider in the first instance. They will want to know the nature of your business to establish whether this represents a greater risk to the insured property. For instance you may have a number of visitors to the property or hold an amount of stock which could pose a greater theft or fire hazard. A typical home insurance policy would also exclude liability for any business visitors to the home.

A general rule with insurance companies is that it is better to inform them up front about the facts rather than waiting until the point of making a claim. The last thing you would want for your business is for an insurance company to withhold payment on your fire damaged house, because you didn't reveal a material fact about your home based business.



Contents Insurance

Technology is now vital to running a home based business.

82% of home business owners believe technology has been a very important factor allowing them to start and grow the business from home and 52% spend between £500 – £1000 on IT equipment each year.

Your insurance company is therefore going to be interested to know what technology and other equipment you have in your house for the business. Many domestic policies may have restrictions on equipment owned by your business but you should notify your insurance provider in the first instance.



Public Liability and Professional Indemnity

Home based business owners are recommended to have Public Liability insurance in place.

This covers your liability at law to members of the public for injuries suffered or property damaged arising out of your business.

A Professional Indemnity policy also provides cover for a professional person or home based business against claims for loss due to incorrect advice or failure to carry out professional duties properly.

When working from home you should ensure your insurance covers any potential claims in your house.



Car Insurance

Home business owners should also check that their car insurance allows them to drive on business matters, for instance if you are making a number of client visits using your car.

Most comprehensive policies include this as standard, but you will need to get this added if it's not specifically mentioned on your policy.



Employer's Liability

Although being home based you may wish to recruit staff as the business grows. Even working with your spouse qualifies.

It is therefore a legal requirement for your home business to have employer's liability insurance in place. This covers employers for any sum which they may be legally liable to pay an employee in respect of injury, disease, illness or death caused during employment.



How Towergate Risk Solutions can help

There is no substitute for seeking professional advice and it is a worthwhile investment of your time.

Our brokers provide a local and trusted service in offices across the width and breadth of the UK. They can offer you specialist advice on the type of insurance cover you require to meet the needs of your home business.

Our specialist household insurance includes an extension for home workers. This provides cover for loss or damage to office equipment, supplies and furnishing if you work from home in a clerical capacity and can include receiving business visitors to the home. This policy extension also includes cover for sample stock up to £1000 while in the private dwelling.



You can find details of your local TRS office by going to www.towergate.co.uk