



Insuring Your Business

Prepared by the Business Consultants at Child Care Aware® of North Dakota

There are risks that you will face as a business operator. They may be financial, medical, legal or property to name the more common. Risks are generally dealt with through insurance. Insurance is complicated to understand and subject to frequent change.

Always consult your insurance agent about specific insurance needs. It is very important that your insurance company and agent understand your business and have experience insuring child care programs.

The most important insurance you need to protect yourself and your business is adequate business liability insurance. This applies even if you only have one child in your care.

Business (or Commercial) Liability Insurance should include:

- General liability
- Professional liability
- Legal defense coverage
- Physical and sexual abuse coverage for you, your family, your employees and residents of your household
- Medical (primary) coverage
- Personal injury
- Bodily injury
- Coverage for accidents when away from home or on field trips

Business Property Insurance (second most important should include:

- Coverage for the cost of all property (furniture, appliances, toys, etc.) used in your business in case of fire, theft, damage, etc.
- Business interruption

Automobile Insurance

- Coverage for injuries or damages if your care is being used for business purposes
- You must contact your insurance agent if you intend to use your vehicle

Worker's Compensation

- Covers work related injury or illness
- In North Dakota this is required if you have employees and must be acquired before you hire any employees.
- An application is in the State of North Dakota New Business Registration Forms consolidated packets <http://www.nd.gov/businessreg/links/doc/greenbook.pdf> or can be obtained from the Workforce Safety and Insurance Policy Services Division 800-777-5033 or 701-328-3800. <https://www.workforcesafety.com>

Personal insurance you may want to consider

- Disability
- Health
- Life
- Long-term care

Cautions

Umbrella policy - Most umbrella policies do not include coverage for injuries sustained in the course of running a business.

Business Liability Endorsement (Amendment) for family child care providers. This endorsement will not provide you with adequate liability insurance. There is a difference between business liability insurance and a home-owners liability endorsement.

Child Care Center's Insurance Needs

Insurance needs vary somewhat between at-home providers and child care centers. Center insurance policies should also include the following:

- A clause added to general liability that will relieve corporate officers of individual responsibility if the corporation is sued for negligence
- Officers and Directors Liability - covers individuals such as a Board of Directors
- Errors and Omissions Coverage - protects against claims for violation of professional standards of conduct
- Product Liability - protects against claims related to the food you serve
- Fire and Theft - protects your facility and the contents
- Fire Legal Liability - protects if you rent the building and the fire is caused by your negligence. (Applies to out-of-home providers also e.g. - in a church)
- Property - protects your investment if you own the building and equipment.

CONSULT YOUR AGENT