

Business insurance

People who run a business know how important it is to protect the building, the equipment, the stock, and the staff who work for them in case there are unexpected problems like fires, a break in or an accident. Banks, as well as insurance companies, offer specialist business insurance policies specifically aimed at the business community.

Firms can also insure their goods in transit against risks such as loss, damage, fire or theft. When insurance covers the transportation of goods, the contract between the buyer and the seller must clearly state who is to pay for the insurance while the goods are in transit and what risks the policy covers.

There are different types of policies. An insurance certificate includes all relevant information about:

- the risk covered,
- the period,
- the premium that is the amount to be paid to the insurance company,
- the compensation that is the sum to be paid by the insurance company if a claim is found to be valid
- the procedure to be followed in the event of a claim

Types of Insurance Policies for a Business

Just as individuals need insurance to protect themselves and their personal property against damage or liability, small business owners need insurance to protect their livelihood. Commercial insurance works much the same way as personal property insurance and can be tailored to meet the needs of the business owner. Several types of business insurance policies are available to cover small businesses.

1. General Liability

As a business owner, you can be held accountable for your negligent acts or those of your employees. General liability insurance protects you in the event that you are sued for negligence and covers events such as injury to a visitor. It also covers property damage caused in the course of your business, slander, libel and false or misleading advertising.

2. Product Liability

If your business manufactures and markets a product, product liability will protect you if a product defect causes injury to people or property. For example, if you operate a bakery and a customer becomes seriously ill from food poisoning caused by your negligence, your product liability coverage will pay for damages.

3. Professional Liability

Professional liability is a special type of liability coverage that applies to professionals such as attorneys, physicians and insurance agents. Common forms of professional liability include errors and omissions coverage and malpractice insurance. In contrast to product liability, which covers damages caused by physical products, professional liability insurance relates to negligence from rendered services. A common example is a patient suing a physician due to a faulty diagnosis or improper treatment.

4. Commercial Property Insurance

Commercial property insurance provides protection in the event of damage to your business property. For example, if you own a furniture store that is destroyed by fire, your property insurance will pay to replace the building as well as its contents as specified in the provisions of your policy. It also can help replace lost income if covered damages result in an interruption of your business activities.

5. Auto Insurance

If your business owns a vehicle, such as a delivery van, or if you have a fleet of vehicles on the road, you will need auto insurance separate from your personal policy. Commercial auto insurance will protect you in the event that you or one of your employees is involved in an accident or if the vehicle is vandalized or stolen. The liability portion of the policy will protect you if your company vehicle causes property damage or injuries to others.

Marine Insurance

A simple definition of the word insurance would be “Protection against future loss.” Marine insurance is another variant of the general term ‘insurance’ and as the name suggests is provided to ships, boats and most importantly, the cargo that is carried in them.

Marine insurance is very important because through marine insurance, ship owners and transporters can be sure of claiming damages especially considering the mode of transportation used. Of the four modes of transport – road, rail, air and water – it is the latter most which causes a lot of worry to the transporters not only because there are natural occurrences which have the potential to harm the cargo and the vessel but also other incidents and attributes which could cause a huge loss in the financial casket of the transporter and the shipping corporation.

Incidents like piracy and possibilities like cross-border shoot-outs also pose a major threat when it comes to water transportation and therefore in order to avoid any loss because of such events and happenings, in the interest of the corporation and the transporter, it is always beneficial to have a back-up like a marine insurance.

The different types of marine insurance can be elaborated as follows:

Cargo Insurance: Cargo insurance caters specifically to the cargo of the ship and also pertains to the belongings of a ship’s voyagers.

Hull Insurance: Hull insurance mainly caters to the torso and hull of the vessel along with all the articles and pieces of furniture in the ship. This type of marine insurance is mainly taken out by the owner of the ship in order to avoid any loss to the ship in case of any mishaps occurring.

Liability Insurance: Liability insurance is that type of marine insurance where compensation is sought to be provided to any liability occurring on account of a ship crashing or colliding and on account of any other induced attacks.

Freight Insurance: Freight insurance offers and provides protection to merchant vessels’ corporations which stand a chance of losing money in the form of freight in case the cargo is lost due to the ship meeting with an accident. This type of marine insurance solves the problem of companies losing money because of a few unprecedented events and accidents occurring.

In addition to these types of marine insurance, there are also various types of marine insurance policies which are offered to the clients by insurance companies so as to provide the clients with flexibility while choosing a marine insurance policy. The availability of a wide array of marine insurance policies gives a client a wide arena to choose from, thus enabling him to get the best deal for his ship and cargo.

The different types of marine insurance policies are detailed below:

Voyage Policy: A voyage policy is that kind of marine insurance policy which is valid for a particular voyage.

Time Policy: A marine insurance policy which is valid for a specified time period – generally valid for a year – is classified as a time policy.

Mixed Policy: A marine insurance policy which offers a client the benefit of both time and voyage policy is recognized as a mixed policy.

Open (or) Un-valued Policy: In this type of marine insurance policy, the value of the cargo and consignment is not put down in the policy beforehand. Therefore reimbursement is done only after the loss to the cargo and consignment is inspected and valued.

Valued Policy: A valued marine insurance policy is the opposite of an open marine insurance policy. In this type of policy, the value of the cargo and consignment is ascertained and is mentioned in the policy document beforehand thus making clear about the value of the reimbursements in case of any loss to the cargo and consignment.

Port Risk Policy: This kind of marine insurance policy is taken out in order to ensure the safety of the ship while it is stationed in a port.

Wager Policy: A wager policy is one where there are no fixed terms of reimbursements mentioned. If the insurance company finds the damages worth the claim then the reimbursements are provided, else there is no compensation offered. Also, it has to be noted that a wager policy is not a written insurance policy and as such is not valid in a court of law.

Floating Policy: A marine insurance policy where only the amount of claim is specified and all other details are omitted till the time the ship embarks on its journey, is known as floating policy. For clients who undertake frequent trips of cargo transportation through waters, this is the most ideal and feasible marine insurance policy.

Marine Insurance is an area which involves a lot of thought, straightforward and complex dealings in order to achieve the common ground of payment and receiving. But as much as complex the field is, it is nonetheless interesting and intriguing because it caters to a lot of people and offers a wide range of services and policies to facilitate easy and uncomplicated business transactions. Therefore, in the interest of the clients and the insurance providers, it is beneficial and relevant to have the right kind of marine insurance. It resolves problems not just in the short run, but also in the long run as well.

Lloyd's of London is tone of the most important marine insurer in the world.