Review your limits. Even if you have a separate business policy or endorsement designed to cover your business, some types of property require special consideration for proper coverage. If your business involves jewelry, fine arts, camera equipment or musical instruments, for example, you should make sure the property coverage limit is sufficient for the value of your inventory or customers' items in your care.

Other Considerations: Review your business operations and policy needs carefully with your insurance professional to eliminate possible gaps in your coverage beyond just your home, such as your auto or umbrella coverage. If your auto is used in your business, your personal auto policy may also contain exclusions:

-Are you a real estate agent who transports clients to view homes?

-Do you deliver products with your vehicle?

-Do you transport children to school or for outings related to your business?

The first example may likely be covered under your regular personal auto policy with an additional charge, but the other examples will require a separate commercial auto policy.

DEPARTMENT OF
Professional & Financial Regulation
STATE OF MAINE

- OFFICE OF SECURITIES
- BUREAU OF INSURANCE
- CONSUMER CREDIT PROTECTION
- BUREAU OF FINANCIAL INSTITUTIONS
- OFFICE OF LICENSING AND REGISTRATION

Although the Bureau can give general insurance information, and help when violations of insurance law have occurred, the Bureau cannot:

- **Force an insurer to satisfy you if no insurance laws have been violated.**
- **Act as your lawyer or give legal advice.**
- **Resolve a dispute when the only evidence is your word against the word of the company.**
- **Make medical judgments.**
- **Advise on the type of insurance or amount of insurance that should be obtained.**

The Bureau of Insurance, within the Department of Professional & Financial Regulation, regulates the insurance industry for solvency and consumer protection. It does so through its examining and licensing procedures of insurance companies, by licensing producers, by reviewing rates and coverage forms, conducting audits, and by sponsoring programs that enhance awareness of and compliance with State laws. The Bureau has statutory authority to enforce the State's laws and rules pertaining to insurance, and it initiates investigations and holds hearings concerning possible infractions of them.

Visit the Bureau's Website at:
www.maine.gov/pfr/insurance

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Insuring Your Home Business

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Millions of Americans operate part-time and even full-time businesses from their homes. Many don't know that their homeowners policy offers little or no protection for the business.

The Maine Bureau of Insurance offers these recommendations to help protect your home-based business:

Consult your insurance professional.

Nearly 60% of home–based businesses are not insured. The Independent Insurance Agents of America (IIAA) reports that nearly 40% of the home-based business owners they surveyed thought their homeowners policy covered their business.

The truth is a homeowners policy was never intended to cover a business, and generally excludes liability coverage for most business-related activities. There are also restrictions on the coverage for property used for business purposes. A home-business owner may face an unpleasant and possibly financially devastating surprise when he or she tries to collect on a loss.

Most homeowners policies do not cover structures used for business purposes or rented to others. If you have a separate structure on your property that is used even partially for business, or an apartment over your garage that is rented to a tenant, your homeowners policy is not providing coverage. For a tenant apartment and some other permitted occupancies, coverage can be added to the homeowners policy by an endorsement. For other business-related activities, a separate policy is required.

A homeowners policy generally provides a small amount of coverage for business personal property – usually limited to $2500 for on-premises protection and $500 for off-premises. Business personal property typically includes computers, printers, scanners, fax machines, office supplies and furniture, software, and any other items used in your business activity. For example, if you take your laptop with you to visit clients, your camera and equipment to another location for a photography shoot, or your musical instruments for a performance – your coverage is limited to the $500 off-premises limit regardless of the value of the equipment you are carrying.

How to Protect Your Home and Business.

To determine what type of insurance you should have, contact your insurance professional.

Consider these questions:

-Do customers or clients come to your home?

-Are deliveries relating to the business made to your home?

-Do you manufacture products for sale to individuals or retail outlets? (knitted items, clothing, food products, gift baskets, craft items, jewelry or art, furniture, etc?)

-Where is your inventory stored?

-Do you repair or restore items and therefore have property belonging to others on premises? (small engine repair, auto repair, clothing alterations, furniture, appliances, firearms, etc?)

-Do you operate a daycare for children?

-Do you operate a doggie daycare or grooming service?

-Do you offer personal care services, such as manicures, massages, or hairstyling?

-Do you provide instructional services such as music lessons, dance classes or karate lessons, or personal training?

-Do you provide professional services such as accounting, legal counseling or nutritional consulting?

The answers to these questions can help determine what types of coverage you need to protect yourself from loss. There are generally three different ways to cover a home-based business.

- **Endorsements to Homeowners policy.** For very small businesses with minimal equipment, no business visitors or deliveries, it may be sufficient to purchase one or more endorsements to your homeowners policy. Higher limits can be purchased for business personal property and many companies offer limited liability coverage for permitted exposures.
- **Home Business Policy.** These policies generally combine homeowners insurance and business insurance into one policy, and include business liability, replacement of lost income, limited coverage for valuable papers and records and accounts receivable in addition to coverage for your home and personal liability.
- **Businessowners Policy.** Purchase of a separate business owners policy (BOP) would provide the most comprehensive coverage for your home business and is recommended if you have employees or contractors or customers who make frequent visits to your home business.