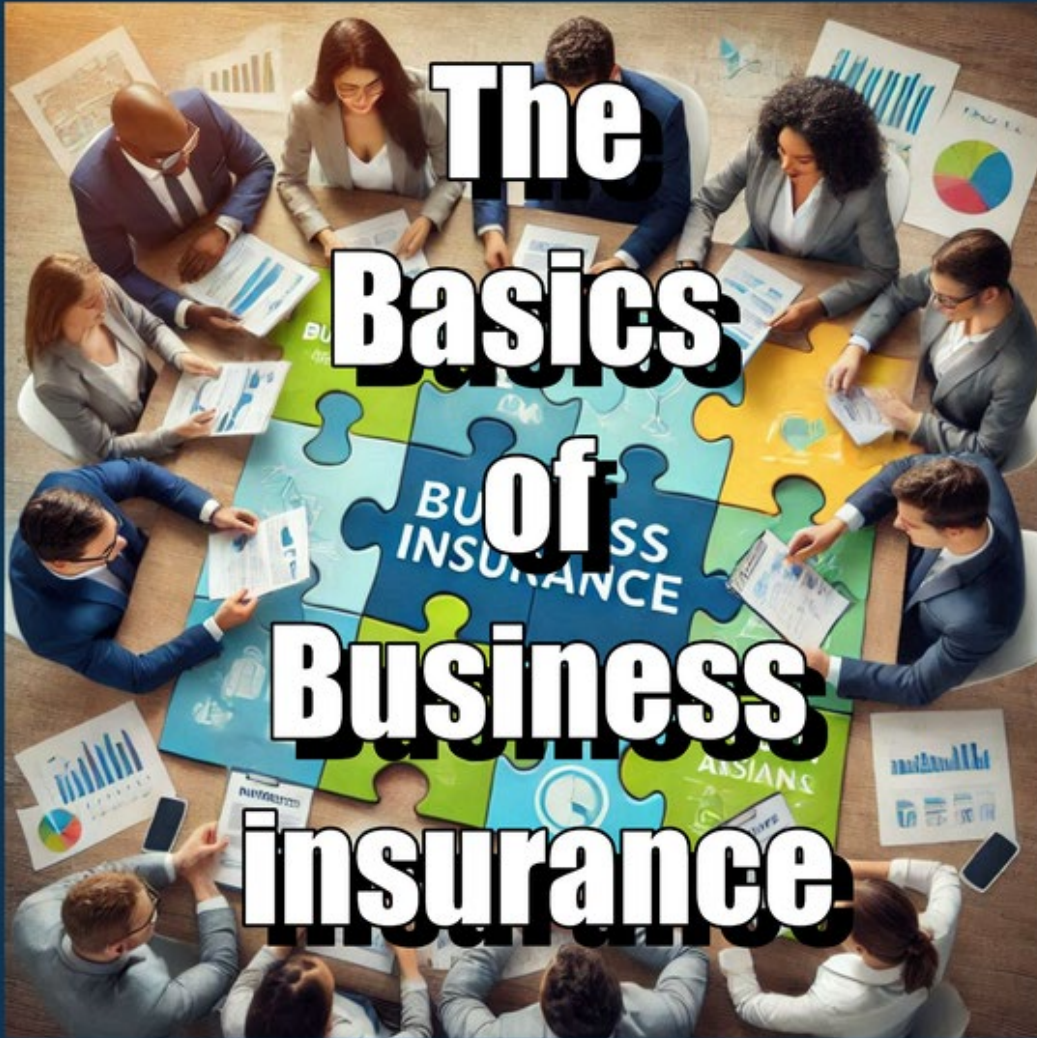


THE BASICS OF BUSINESS INSURANCE

BE A BETTER AGENT



**The
Basics
of
Business
insurance**

FYI Express

THE BASICS OF BUSINESS INSURANCE

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This ebook covers everything insurance agents need to know about insuring Supermarkets and Convenience Stores, including different types of coverage, common risks, and best practices for helping clients choose the right policy. It would be a valuable resource for agents looking to expand their knowledge and better serve their clients in the Commercial Lines insurance market.

As you go through the eBook and have enjoyed a few topics, I give you the opportunity to test your understanding of what you just read by clicking a link.

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Property Insurance

Hey, let me tell you a story about something that's super important for anyone running a business—property insurance. So, you know how when you invest in a business, one of the biggest investments you make is in the building and all the stuff inside it? Well, property insurance is what helps protect that investment.

Imagine you've just set up your dream business in a cozy little building, filled with all the equipment and supplies you need. Now, to keep everything safe, you'd want to get a good property insurance policy, right? There are actually two main types to choose from: “**named peril**” and “**all risk**.”

With a named peril policy, you're covered for specific events—like if there's a fire, a storm, or even vandalism. It's a bit like having a safety net, but only for the things listed in the contract. So, while it's usually cheaper, it doesn't cover as much. On the flip side, an all risk policy is broader. It covers any loss that isn't specifically excluded, which sounds great, but just remember, “all risk” doesn't mean everything is covered. The exclusions listed in the policy are the things that won't be covered, but it still gives you a lot more peace of mind.

Now, when you're picking out your insurance, you can choose between “**replacement cost**” and “**actual cash value**.” Here's the deal: replacement cost means you'd get enough money to replace your property at today's prices, while actual cash value takes depreciation into account. So, as your building ages, its value might go down. But if rebuilding costs go up faster than the building's depreciation, you could end up with a higher replacement cost over time.

To figure out how much your property is worth, you can look at what it originally cost to build or check out some regional guidelines. If your place is unique or you just want the best estimate, hiring a **professional appraiser** might be a good idea.

And don't forget about the **personal property inside your business**! Its value can change too, not just because of aging but also due to what you have and where it's located. If your inventory or equipment shifts around a lot, it might be smart to get a reporting form policy or a seasonal endorsement to keep things covered.

Oh, and if you have **valuable items** like fine art, antiques, or even important documents, your general property policy might not cover those. You'd probably want to get an extra endorsement or a separate policy to protect those treasures.

Lastly, check with your agent about your **computer system**. Most basic policies only cover the physical value of the computer and some storage media, but they might not cover the cost of recovering lost data. If that's a concern, you might want to look at a special policy for that.

So, yeah, property insurance is a big deal for any business owner. It's all about protecting what you've worked hard to build!

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Different Types of Coverage That Businesses Can Consider

Hey! So, you know how we were chatting about insurance the other day? I came across some pretty interesting stuff about different types of coverage that businesses can consider. I thought I'd share it with you like I was telling a story.

Imagine you're starting a business—let's say it's a construction company. You'd want to make sure that while your buildings are being put together, they're protected against any mishaps, right? That's where **Builders' Risk coverage** comes in. It's like a safety net for those buildings still under construction, ensuring you're covered for the full value when they're completed. Some policies even let you report the value monthly, which is handy because construction values can fluctuate. But keep in mind, it usually doesn't cover tools or materials until they're part of the building, so you might need extra coverage for those.

And speaking of business challenges, have you ever thought about what happens if something damages your property and your business has to pause? That's when **Business Interruption insurance** can save your bacon! It covers the earnings you'd lose during that downtime and helps pay for ongoing expenses like salaries and rents, so you don't have to stress about those bills piling up while you're waiting to get back on your feet.

Now, what if you had to spend more just to keep things running after a loss? That's where **Extra Expense insurance** comes into play. It covers those additional costs you'd incur to maintain your operations as closely to normal as possible, even while repairs are underway.

Oh, and if you're a landlord or have rental properties, there's also **Rents or Rental Value coverage**. This one kicks in when your property can't be occupied due to a covered incident, helping you recover the lost rental income during that time.

Now, let's not forget about those **outdoor signs** that display your business name or deals—most basic policies won't cover them, but you can add that protection through an endorsement. And if your business relies on **communication towers or antennas**, you'll need a separate policy for those too, as they're often left out of standard coverage.

Then, there's **Inland Marine insurance**. It's a bit of a quirky name, but it's essential for covering property that's in transit or with someone else, like dry cleaners or equipment rentals. For the adventurous types, Ocean Marine insurance covers the vessels and cargo on the high seas—perfect if you're in the shipping business!

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Now, **glass breakage** can be such a headache, especially if you have fancy display cases. You can get coverage specifically for that, which is a lifesaver for businesses with a lot of glass. And while we're talking about protecting your assets, **Commercial Crime coverage** is worth mentioning. It shields your business from theft, burglary, or the peril of accepting counterfeit money.

Speaking of protecting equipment, have you ever heard of **Boiler and Machinery insurance**? It's vital for businesses that rely on heavy machinery or electrical equipment. It covers you against major issues like boiler explosions or mechanical breakdowns. Pretty crucial, right?

And then there's **Flood insurance**, which is a must if your business is in a flood-prone area. The government has a program for this, as most standard property insurance won't cover flood damage. Plus, if you're worried about earthquakes, you might want to add **Earthquake insurance**, which usually comes with a deductible based on the property's value.

If your building gets damaged and you have to upgrade to meet current codes, you'll want **Building Ordinance coverage**. It covers those extra costs since most basic policies won't. And lastly, there's **Sprinkler Leakage coverage**, which protects you from accidents caused by sprinkler systems.

So, yeah, it's a lot to think about when it comes to protecting a business! Each type of coverage plays a unique role in keeping everything secure and running smoothly. Makes you appreciate the complexities of starting a business even more, doesn't it?

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What To Do If You Have Trouble Getting Insured

Hey, let me tell you about something I learned recently that might be helpful if you ever find yourself in a tough spot with insurance. So, you know how sometimes it can be a real hassle trying to find an insurance company that will actually insure your property? Well, there's this place called the **Georgia Underwriting Association**, or GUA for short. It's also known as the **FAIR Plan**.

Basically, if you're having trouble finding coverage, you can apply through them. They provide insurance for buildings and personal property, protecting you against a whole range of things like fire, lightning, windstorms, hail, explosions, and even more unusual stuff like riots and aircraft damage. It's pretty comprehensive!

Oh, and if you're worried about vandalism or malicious mischief, they can cover that too. Sometimes, they even offer burglary coverage, which is a nice little bonus. For those of you living by the coast, there's a cool option where you can get a policy that only covers windstorms to add on to your existing insurance, since some regular insurers might leave that out.

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But here's the thing: you really want to **consider this as a last resort**. The premiums can be higher and the coverage might not be as broad as what you'd get from a regular private insurer. So, it's worth doing your homework first. If you want to learn more or need help, you can always reach out to your insurance agent or contact the GUA directly at their office in Suwanee.

Their address is 3355 Annandale Lane, Suite 3, Suwanee, GA 30024-2100. Just keep that in mind, in case you ever need it!

Different Types of Liability Insurance

Alright, let me share something important that I learned about liability insurance the other day. Imagine you're running your own little business, maybe a cozy café or a craft shop. You're excited, but there's this nagging thought at the back of your mind: what if something goes wrong? This is where liability insurance steps in like a superhero.

Picture this: you're busy serving coffee, and a customer trips over a loose floor tile and gets hurt. Suddenly, you're facing a lawsuit that could wipe out everything you've built. That's where having enough liability insurance becomes crucial. It's like a safety net that catches you if things go south—covering legal fees and any payouts you might have to make, up to the limits of your policy.

Now, there are different types of liability insurance out there, and it can get a bit confusing. Let me break down the main ones for you.

First off, there's the **Commercial General Liability (CGL)** policy. Think of it as a one-stop-shop for many kinds of liability coverage. Under this, there are two key areas:

Premises and Operations Coverage: This protects you if someone gets hurt on your business premises or if any damage happens because of your operations.

Products and Completed Operations Coverage: This is like a shield for your products after they leave your hands. For instance, if someone gets injured by something you made or sold, this coverage has got your back.

But wait, there's more! If you ever hire contractors or subcontractors, you might need something called **Owners' and Contractors' Protective Liability**. This protects you if they mess up and cause damage or injury.

Then, there's **Directors and Officers Liability Insurance**, which is super important if you're in management. It safeguards you from claims made by shareholders or clients regarding decisions made in your official capacity. So, if you're ever in a director's role, you'll want to check what protections you have.

Now, if you really want extra peace of mind, you might consider **Umbrella Liability Insurance**. This gives you additional coverage beyond what your basic policies cover. Imagine a worst-case scenario—will your current insurance be enough? An umbrella policy can help with those extreme situations, plus it may cover more types of accidents.

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Let's not forget about **Professional Liability Insurance**, which is crucial for those in professions like healthcare or law. It covers you against claims of malpractice or wrongful acts. And if you're not a professional but still make a mistake that costs someone money, there's Errors and Omissions Insurance for you too.

Oh, and if you work on someone else's property—like painting a house—be aware of the **Care, Custody, or Control exclusion**. Basic liability policies usually don't cover damage to property in your care. So, if you accidentally damage a fancy artwork while painting, you could be on the hook for that!

And speaking of exclusions, basic policies often don't cover pollution. If you're in an industry that handles chemicals, you'll want to look into a **separate pollution policy**.

Now, when it comes to filing claims, you should know about the two different bases for payments: **occurrence basis and claims-made basis**. An occurrence policy covers incidents that happen while your policy is active, even if the claim is filed later. But a claims-made policy only covers incidents that happen after a specific date and are reported during the policy period. If you ever switch or cancel, you might need to consider buying "tail coverage" to ensure you're still protected for claims that arise after the policy ends.

Lastly, for small to mid-sized businesses, you might want to look into combination policies or package policies. These are tailored to fit your business's needs and often cover both property and liability in one go. The **Business Owners Policy (BOP)** is quite popular among small businesses for this very reason.

So, there you have it! Liability insurance may seem overwhelming, but it's really about protecting yourself and your business from unexpected events. It's worth taking the time to understand and get the right coverage—it could save you a lot of headaches down the road!

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Bonds And Workers' Compensation Insurance

Hey, let me tell you about something I learned recently about bonds and workers' compensation insurance. It's kind of fascinating, especially if you're thinking about starting a business or if you're already running one.

So, there are these things called **surety bonds**. Imagine you're a builder, and you're hired to take on a big construction project. Your client might ask you to get a surety bond as part of the contract. What this does is essentially guarantee that you'll do the job as promised. If you don't follow through, the client can collect a settlement from the bond. Then, the bonding company will come after you to get their money back. Crazy, right? There are also special types of surety bonds, like license and permit bonds, which ensure that businesses comply with local laws.

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Then there are **fidelity bonds**. These are a bit different; they protect businesses from losses due to dishonest actions by employees. You can choose to cover specific individuals or positions, or you can go for a blanket bond that covers everyone in the company. It's like having a safety net against bad apples in your team.

Now, let's talk about **workers' compensation insurance**. If you're in Georgia and you have three or more employees, you need to have this coverage by law. You can get it from licensed insurance companies or even through group self-insurance funds. There's also a way to become a certified self-insurer if you want to go down that route. If you're not sure if an insurer is licensed, you can reach out to the Insurance and Safety Fire Commissioner. There are also resources like the Georgia Workers' Compensation Board that can help you understand the rules and regulations better.

Oh, and get this—if you're having trouble finding insurance for workers' compensation, there's a last resort option called the **Georgia Workers' Compensation Assigned Risk Plan**. But be warned, it could cost you more than getting insurance through other channels.

One last thing to keep in mind: if you're **using subcontractors**, it's super important to talk with your insurance agent about it. The rules around who qualifies as a subcontractor are pretty strict, and if they don't have their own insurance, you might be held responsible as the primary contractor.

So, yeah, it's a lot to take in, but understanding these things can really help you protect your business and your employees. Just thought I'd share!

Auto Insurance in Georgia

Hey! Let me tell you about something interesting I learned the other day about auto insurance in Georgia. So, you know how we all have to drive and stuff, right? Well, Georgia has this law that says if you own or operate a vehicle, especially in a business context, you've got to have insurance or be a qualified self-insurer. It's all about making sure you're financially responsible if something goes wrong.

Now, if you decide to go the insurance route, there are some must-haves in your policy. First off, you need what's called **Bodily Injury and Property Damage Liability**. This part is super important because it protects you if, heaven forbid, you cause an accident that injures someone or damages their property. Imagine someone gets hurt or their car gets messed up because of your vehicle—this coverage has your back.

And there's more! Your insurance company is also required to offer you **Uninsured Motorist** coverage. This is a lifesaver if you get into an accident with someone who doesn't have insurance or if you're a victim of a hit-and-run. It's like a safety net for those "what if" situations.

Now, here's the kicker—Georgia has set some **minimum coverage amounts** you need to have. For Bodily Injury Liability, if you hurt one person, the limit is \$25,000, and if it's two or more people, it bumps up to \$50,000. Plus, there's a \$25,000 limit for any damage to someone else's property. But here's a little twist: many insurance companies bundle these together into a single limit policy, which means the max payout for any incident is at least \$75,000.

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If you're feeling adventurous and want to self-insure instead, you can do that too! But it involves some paperwork with the Office of Commissioner of Insurance and putting up some securities for claims.

Now, if you're running a business, it's wise to think about upping those minimum limits. Especially if you're transporting passengers or cargo, you might have to follow additional motor carrier laws that require even higher coverage. It's best to chat with your insurance agent to figure out what you really need for your commercial vehicles.

Oh, and here's something I found surprising—**businesses can have liability risks even with non-owned vehicles**. Like, if an employee just runs a quick errand, such as dropping off mail or picking up donuts for the office, and they get into an accident, your business could still be on the hook. There's coverage options for that, which can be added to your auto policy or business package.

Most businesses can get what's called a **Business Auto Policy**. But if you're in the auto industry, like if you own a car dealership or a trucking company, that's a whole different ball game. They have specialized policies, so it's all about finding what suits your business best.

Oh, and if you can't find insurance anywhere, there's a backup plan called the **Georgia Automobile Insurance Plan**. It's kind of like a safety net for those who are really struggling to get coverage, but the rates can be pretty steep, so it's best to treat it as a last resort.

So, that's the scoop on auto insurance in Georgia! It's a lot to think about, but it's all about keeping you and your business safe on the road. If you're ever in doubt, just ask your insurance agent for some guidance.

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Insurance Companies and Property and Liability Insurance Rates

So, let me tell you about this whole thing with property and liability insurance rates—it's a bit of a wild ride! Picture this: you own a business, and you need insurance. Now, every insurance company has its own unique way of determining if your business qualifies for coverage and how much you'll pay for it. They have these underwriting standards, kind of like secret rules that decide if you're in or out.

Depending on what kind of business you run, you might find yourself grouped with other similar businesses. It's like being placed in a category at school: if you're a bakery, you're with other bakeries, and they'll charge you a premium based on what they typically charge that category. But if your business is super unique, like, I don't know, a llama yoga studio, the insurance company might need to create a special rate just for you.

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Now, there are lots of things that factor into how they come up with these rates. Take auto insurance, for example. They look at what kind of vehicles you drive, how well you drive (like if you've got a clean driving record or a history of fender benders), where you live, how much you drive, and even the size and value of your vehicles. It's all about the risk they think they're taking on.

When it comes to property insurance, they'll consider things like where your building is located, what it's made of, how it's occupied, and what kind of safety measures you have in place—like fire alarms and sprinklers. And for general liability insurance, they'll look at factors like your location, the products you sell, your business's track record, and even your experience. It's a lot!

One big thing to remember is that your history with losses can really impact your rates. If you have a solid safety program that keeps accidents at bay, that's a plus. There are also loss control programs that help manage any costs that come from losses that do happen. So, if you want to keep those premiums low, it's worth chatting with your insurance agent about what you can do to minimize risks.

And get this: for certain types of insurance—like workers' comp, general liability, and vehicle coverage—insurers might come in for an audit. They'll want to dig through your records to verify things like payroll, sales figures, and other important info. They could even check out your operations to see if you're classified correctly for coverage. If you have a business auto policy, they might want to confirm which vehicles you own and how you use them.

After this audit, they might adjust your premium. If you've deposited too little, they'll charge you more; if you put in too much, you might get a refund. So, if you know an audit is coming, make sure you have all your records in order. Missing documents could lead to you being charged more than necessary.

Oh, and one last tip: if you hire subcontractors, keep their proof of insurance handy—Workers' Comp, General Liability, and Auto insurance. If your policies are audited and you can't show that they're covered, you could end up paying for their risks, which is a real headache.

So, yeah, navigating insurance can be tricky, but being prepared can make all the difference!

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Life And Health Insurance for Businesses

Hey! You won't believe what I was learning about recently—it's all about life and health insurance for businesses. I thought it was pretty fascinating, and I wanted to share it with you.

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So, picture this: you're a business owner, and you want to attract the best employees. One way to do that? Offering a solid benefits package that includes life and health insurance. In Georgia, even small teams can get in on this, with group insurance available for just two people!

Let's talk about group life insurance first. Typically, this kind of insurance is set up as term insurance, which means it covers employees while they're working for you. Employers usually provide a flat amount, like \$10,000 or \$25,000, for each employee, or it can be a multiple of their salary—like one, two, or even three times what they earn. Plus, there's often an option to cover employees' spouses and kids, although usually for less.

Now, onto group health insurance, which has quite a few options. There are traditional plans that cover the usual medical expenses, allowing employees to choose their healthcare providers. Then, there are **Health Maintenance Organizations**, or HMOs. If you go with an HMO, your employees would have to use specific doctors and facilities, except in emergencies. They'd pick a primary care physician who acts as a sort of gatekeeper for their healthcare needs.

If that sounds a bit restrictive, there are also **Point of Service Plans**, where employees can use their own doctors but still have some limitations. And then there are **Preferred Provider Organizations**, or PPOs, which have a network of preferred doctors. If employees choose someone outside this network, they might have to pay more out of pocket.

Oh, and there's something called a **Consumer Choice Option**. This lets an employee nominate a doctor or hospital that isn't part of the plan. If that provider agrees, they can be treated like an in-network provider. Pretty cool, right?

But wait, there's more! Some businesses opt to self-fund their health insurance, which means they can set aside money to cover their employees' medical expenses themselves. They just have to follow certain guidelines from the U.S. Department of Labor.

And, of course, there are **other types of group coverage** available, like **disability insurance**. This kicks in if an employee can't work due to injury or illness, replacing a portion of their salary. There are short-term options that cover them for a few months and long-term options that last for years.

Then there's **dental and vision insurance**, which come in similar forms to health insurance. You can even get plans for specific diseases, like cancer or heart disease, which provide extra coverage on top of the usual health plans. And if someone passes away in an accident, there's accidental death and dismemberment insurance that pays out a lump sum.

Now, let's switch gears to specialized programs, which are a bit different from the group plans. These are designed to protect the business itself, especially when it comes to key employees or owners. For instance, if a business owner becomes disabled, **Business Overhead Expense Insurance** helps cover the company's fixed costs—things like rent and utilities—so the business can keep running while the owner recovers.

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Speaking of key employees, there's **Key Employee Life Insurance**, which is crucial for covering the loss of someone vital to the business. If they die, the funds from this insurance can help pay for finding or training a replacement.

And then there are **Buy-Sell Agreements**. These agreements ensure a smooth transition if one of the business owners passes away or can't work anymore. Once the agreement is in place, you can buy life and disability insurance on each owner, making sure there's enough money to buy out their share.

So, that's the scoop on life and health insurance for businesses! Pretty interesting stuff, right? It's all about protecting both the employees and the business itself. Let me know what you think!

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Alternative Insurance Options for Small Business

Hey, let me tell you about something interesting I learned the other day regarding insurance options in Georgia. So, picture this: you're running a business, and you're not too keen on buying traditional insurance from licensed companies. Well, guess what? There are actually several alternatives you can explore!

First off, you could think about **self-funding**. This is where you set aside your own money to cover any potential damages instead of paying an insurance company to take on that risk for you. It sounds appealing, right? But here's the catch: if you're looking into self-funding options for auto liability or workers' comp, you can't just dive in; you need the state's approval first. And if you're considering self-funding for employee health benefits, that also requires a thumbs-up from the U.S. Department of Labor. So, it's a bit more complicated than it seems at first.

Now, if self-funding feels like too much to handle, how about joining a group self-insurance fund? This is great for businesses wanting to pool their resources to cover workers' comp liabilities. Everyone in the group shares the responsibility for claims. But, just like with self-funding, you should check with the Insurance Commissioner to ensure the group is properly licensed in Georgia.

And here's another option: **surplus lines insurers**. These are companies that aren't licensed in Georgia but can provide coverage for those tricky-to-insure risks. They're called non-admitted insurers. Just keep in mind that they don't have to follow all the state's insurance rules, so the coverage might not be as secure as you'd expect. Plus, any insurance you buy from them won't have the same protections as those from licensed insurers.

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Now, let's talk about something called **Risk Retention Groups** and **Risk Purchasing Groups**. These are formed under federal law to help businesses that engage in similar activities band together to get better liability insurance rates. The cool part is you might find lower premiums, but there's a real risk here, too. Depending on where these groups are based, they might not be subject to all the same regulations as Georgia insurers, which means you might miss out on some protections.

If any of these alternatives sound tempting, just remember: you need to do your homework. The Insurance Commissioner, John F. King, is the go-to guy for confirming if any groups or funds are properly registered in Georgia. If you ever need to check, you can give his office a call.

So, there you have it! If you're thinking outside the box when it comes to insurance, there are definitely options. Just make sure to weigh the pros and cons carefully, so you don't end up with surprises down the road!

Hey, let me tell you about something I recently learned about shopping for insurance. You know how overwhelming it can be to figure out the right coverage, right? So, here's a little story that might help if you ever find yourself in that situation.

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Mama said, “You Better Shop Around”

First off, if you're thinking about getting insurance—whether it's for your home, car, or business—it's super important to shop around. Imagine you're at a market; you wouldn't just grab the first fruit you see, right? You'd ask multiple vendors about their prices. It's the same with insurance! Talk to several agents or companies, and make sure you're comparing apples to apples. Ask for the same coverage limits and premiums to see what fits your needs best. Just a little tip: if you decide to switch insurers, don't cancel your current policy until the new one is confirmed to accept you. It's like making sure you have your next place booked before leaving your old one!

Now, here's where it gets a bit nitty-gritty. It's crucial to check if the agent and the insurance company you're dealing with are licensed in Georgia. If you're unsure, there are resources available. Just call the Insurance and Safety Fire Commissioner, John F. King, at (404) 656-2074 for companies or (404) 656-2100 for agents. Or you can even visit their website to check things out.

Also, don't forget to **ask your friends and neighbors**. You know how word of mouth can be the best recommendation? If someone you trust is happy with their agent or insurer, it's definitely worth considering.

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Now, here's a golden nugget of advice: **keep good records**. Imagine if you had to file a claim and couldn't remember what you had! Keeping an inventory of your belongings, along with their original costs, can really help when it's time to make a claim. And make copies of vital documents like contracts and payroll records. You wouldn't want to be scrambling in a crisis, right? Maybe even stash some of those copies in a safe deposit box or give them to your accountant.

Next, make sure you **understand what's not covered in your policy**. It's like reading the fine print on a contract. Knowing the exclusions and limitations can help you decide if you need additional coverage. Think of it as making sure you have an umbrella handy for that unexpected rain.

And here's a smart tip: **practice loss prevention**. Lots of insurance companies offer discounts if you take steps to minimize risks, like installing security systems or smoke detectors. It's not just about saving money; it's about protecting your business and keeping your employees safe. In the long run, good safety practices can prevent more losses than any insurance policy ever could.

If you're willing to take a bit of a risk, consider opting for a **higher deductible**. This can lower your premium, but be careful! Make sure it's an amount you can handle if a loss occurs. It's all about finding that sweet spot between what you can afford and what gives you peace of mind.

Lastly, don't fall into the trap of **under-insuring**. It might be tempting to pick a cheaper policy, but that could leave you vulnerable. Ensure you're adequately covered for your property, income, and liabilities. Some policies might even penalize you with lower payouts if you don't meet certain coverage levels.

So, there you have it! Just remember, shopping for insurance doesn't have to be a headache. With a little diligence and preparation, you'll find the right coverage that suits your needs. And who knows? You might even enjoy the process!

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Mandatory Insurance Requirements in Georgia

Hey there! Let me tell you about something I learned recently regarding insurance requirements in Georgia; it's a bit of a maze but stick with me!

So, you know how if you own a car, you have to have insurance? In Georgia, it's pretty straightforward. If you own a vehicle, you need to have liability insurance, or you can be self-insured if you meet certain criteria. It's all about ensuring that if you get into an accident, there's some kind of coverage to help out, right?

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Then, there's the whole workers' compensation thing. If you're an employer and you have three or more employees — whether they're part-time or full-time — you're required by law to have workers' compensation insurance. This is crucial because it protects employees if they get injured on the job, and it keeps employers protected from potential lawsuits.

But it doesn't stop there! Lots of licenses or permits you might apply for at any level of government come with their own insurance requirements. So, if you're thinking of starting a business, be prepared to show proof of insurance when you're getting all your paperwork in order.

Now, let's talk about the need for insurance from a different angle. You'd be surprised how many other people or organizations might ask you for **proof of insurance**. For example, if you're getting supplies for your business, those suppliers usually want to know that you're covered in case something goes wrong. Even customers might want that reassurance! Oh, and if you're dealing with mortgages or loans, banks and lenders will want to see that you've got property insurance. Investors also have a keen interest in making sure that there's enough coverage to protect their investments.

Now, here's where it gets a bit technical but bear with me. Georgia has something called the **Insurers Insolvency Pool**. It's like a safety net for folks who have property and casualty insurance, including workers' compensation. If an insurance company goes belly up and can't pay claims, this pool helps cover those claims. But here's the catch: only companies that are licensed in Georgia are part of this pool, and it doesn't cover every situation. For instance, if you're self-insured or have insurance from a company that isn't licensed in Georgia, you're out of luck.

And it gets even more detailed. The pool won't cover claims for things like title insurance, certain types of bonds, or even insurance for businesses that primarily use marine vessels. But if you're covered, you can make claims that range from \$25 up to \$100,000, with workers' compensation claims having a higher cap.

Now, shifting gears a bit to life and health insurance, Georgia has the **Life and Health Guaranty Association**. If your health insurance provider goes out of business, this association steps in to make sure your claims get paid, but again, there are limitations. If you've got a self-funded health plan or certain other types of insurance from unlicensed companies, you won't be covered.

Oh, and they have their own limits too. For instance, for cash value of life insurance, you can get up to \$100,000, while for all sorts of benefits, the limit is \$300,000. But there's a big note of caution here: the payouts from these associations might leave you with some uninsured losses if your insurer runs into trouble. So, it's really important to check how financially stable your insurance company is before you commit!

I know it sounds a bit overwhelming, but it's really just about making sure you're protected and understand what's out there. Always best to be prepared, right?

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The World of Insurance Notifications and Regulations

Hey there! You won't believe the wild ride I just took through the world of insurance notifications and regulations. So, get this: if you own a business and you have workers' compensation insurance, the insurance company can't just drop you on a whim. They have to give you a heads up—like a full 75 days—before they cancel or decide not to renew your policy. And if they want to raise your rates by more than 15%, they need to let you know 45 days in advance. Pretty fair, right?

But that's not just for workers' comp. For other business property and liability insurance, they also have to give you a 45-day notice if they plan to cancel, not renew, or hike your rates by that same 15%. It's like they're trying to give you a fighting chance to prepare.

Now, when it comes to accident and sickness insurance, things get a bit more interesting. Typically, if you have group health insurance, it's renewable at the group policyholder's discretion.

But if the insurer decides to withdraw a group health product from all Georgia customers? They need to give a whopping 90 days' notice! Plus, they must offer you at least one other product to consider. And if they're taking away all group health products in the state? Hold on to your hat—they've got to give you a whole 180 days' notice. This means you or your employees might have the chance to switch to individual insurance.

Oh, but there's a catch! If you're within the first 60 days of starting a policy, they can cancel it with just 10 days' notice. And if you miss a payment? They can kick you to the curb right away! For group accident and sickness policies, there's a 31-day grace period for missed payments, which is a bit of a saving grace.

Now, here's something you might find interesting. Insurers must handle claims in a fair and timely way. They can't just leave you hanging; they need to respond quickly when you reach out about a claim.

Oh, and here's a nugget about health insurance conversion rights. If you've been covered under a group health insurance policy for six months or more and it terminates, you have the right to switch to an individual policy. It's like a little safety net for you.

Did you know that in Georgia, there are specific rules for how small group health insurance rates are calculated? Yeah, there are limitations on how they can use claims experiences for groups of 50 or fewer employees. They even have to pool the claims experience of all small employers—so no one group is unfairly penalized.

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And if you're ever in a tough spot where you can't find insurance through the usual channels? Georgia has **last resort plans** for workers' compensation, auto insurance, and some property insurance. It's like a safety net when things get rough.

Now, here's where it gets a bit darker. **Insurance fraud** is a huge issue, costing the country hundreds of millions every year. And the burden of that cost ultimately falls on all policyholders, leading to higher premiums. Thankfully, Georgia has some of the toughest anti-fraud laws in the nation. If you ever suspect fraud, you can call the Insurance and Safety Fire Commissioner, John F. King, at 404-656-2070.

Oh, and speaking of risk, did you know that arson is a big problem? Every year, fires claim lives and destroy property in Georgia. Some fires are started on purpose! The Commissioner has set up an arson information reward program to encourage people to report these crimes. If you ever suspect arson, you can call their toll-free hotline at 800-282-5804, and your call will be confidential.

So, there you have it! Insurance can be a bit of a maze, but knowing your rights and the rules can really help you navigate it. What do you think?

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Insurance Complaint Tips

Hey, let me tell you a little story about something that happened to my neighbor, Tom.

So, Tom had this insurance policy for his home, right? Everything seemed fine until one day, he found out they canceled his coverage without any warning. It was like a punch to the gut! You know how it is—you think you're all set, and then bam! He felt like he was thrown into chaos.

Tom wasn't the type to just sit back and take it, though. First, he decided to reach out to his insurance agent. He figured, "Maybe there's been a mistake?" So, he called them up and explained his situation. But you know what? He didn't just hang up and forget about it. Tom took notes during the call—everything from the date and time to the name of the person he spoke with and the details they discussed. Smart move, right?

After waiting for a while and not getting the help he needed, Tom decided it was time to escalate things. He heard about the Georgia Department of Insurance and their Commissioner, John F. King. Apparently, they could help folks like him with complaints against their insurers. He was a bit hesitant, but what did he have to lose?

Tom picked up the phone and called the Department. They were super helpful! He found out that he could write a letter too, or even visit them in person. They had all these options, which made him feel a little better. He thought he might just drop by their office in Atlanta or see when they'd be in a town nearby.

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And get this: If he had a hearing or speech issue, they had a TDD number for him to use. It seemed like they truly had everyone in mind. Tom felt more hopeful after that.

So, he wrote a detailed letter, outlining his problem and asking for help. He even kept a copy for himself—because you never know, right? The Department promised to thoroughly investigate his complaint and give him clear responses. They were also going to help cut through all the red tape he was facing.

However, he learned that while they could look into his issue, they couldn't force the insurance company to do something if it wasn't backed up by the law and facts. Still, they promised to protect his rights and help him understand what was going on.

In the end, after a bit of back and forth, Tom got the answers he needed and felt like someone was finally listening to him. Not only did he learn how to handle the situation, but he also discovered that sometimes, you just need to speak up and keep pushing for your rights.

So, if you ever find yourself in a jam with your insurance, just remember Tom's story. Don't hesitate to reach out to your agent and if that doesn't work, the Department of Insurance is there to help. Sometimes, all it takes is a little perseverance!

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Glossary

Actual Cash Value:

- **Buildings** – replacement cost less depreciation
- **Personal Property** – the lesser of the sale price as between a willing buyer and seller or the cost to replace. (Your potential profit is not included.)

All risk: A type of property policy covering all hazards of loss or damage that are not excluded. (See named perils.)

Bailee: Entity that holds goods belonging to others in the normal course of business. (A public storage warehouse or a dry cleaner are examples.)

Bodily Injury: Injury including death of a person. For insurance coverage to be available under a liability policy, the injury must arise out of a covered circumstance or activity, and be accidental.

Boiler and Machinery: Equipment that controls, transmits, or uses mechanical or electrical power. Losses caused by electrical arcing, explosion, or breakup by centrifugal force can be insured under a boiler and machinery policy, but are usually excluded under basic property policies.

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Builders Risk: The term applied to the property risk and the special policy designed to cover the risk of a building under construction.

Burglary: See Crime.

Business Interruption: Loss of business income because of loss or damage to the building(s) or personal property of the business (insured under a business interruption policy or endorsement).

Coinsurance:

Property Insurance – a policy condition where, in return for a reduced premium, the insured agrees to maintain insurance on the property equal to or exceeding a specified percentage (the coinsurance percentage) of the value of the property.

Health Insurance – the percentage “split” of covered medical expense between the insurer (or benefit plan) and the covered person, usually after a deductible is satisfied. (See Copayment.)

Collision: One of the coverages under an automobile policy (covers the vehicle for loss or damage from collision with an object).

Comprehensive: Under a motor vehicle policy, covers the auto for physical damage other than that covered by collision coverage (such as theft, fire, flood, or glass breakage).

Contractors Equipment: Certain equipment (usually mechanical) used on job sites (insured under an inland marine policy called a contractor’s equipment floater).

Copayment: The dollar amount the covered person pays under a health insurance policy, or health benefit plan, for each treatment (or for each doctor or hospital visit, or for each prescription drug treatment, or other basis as specified in the policy or plan).

Crime: There are several specific coverages that are included in this term. They can be purchased separately, or sometimes “packaged” in various combinations. Some of these individual coverages are:

- **Burglary:** The taking of property from locked or enclosed premises (requires evidence of forced entry).
- **Robbery:** The taking of property by violence or threat of violence (such as hold-up).
- **Safe burglary:** A special form of burglary coverage applying only to property taken from a safe or vault (requires forcible entry into the safe or vault).
- **Theft:** The broadest of the crime terms, meaning any act of stealing.

Elimination period: In health insurance, the time between the occurrence of a claim and the beginning of benefits.

Endorsement: A “rider” or “policy form” attached to a policy at its inception or at a later date that adds provisions, coverage, exclusions, or makes other changes to the policy.

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Estimated Premium: The premium charged at the beginning of a policy where the final premium will be determined after an audit (also used to designate the initial premium on a policy written subject to determination of correct classifications or rating).

Experience Modification: A factor applied to the policy premium that reflects the past claims experience of a business as compared to other businesses of the same type. This modification is most frequently used in Workers' Compensation insurance.

Extra Expense: The additional expenses necessary to keep a business functioning after a covered loss has occurred to the business property. This potential loss can be insured under a type of business interruption policy.

Financial Rating: Several Services rate the financial strength of insurance companies. Among these are A. M. Best, Standard and Poor's, Weiss Research, and Moody's Investors Services. Many of these publications can be found in local libraries. Not all insurers are rated by all services. Some insurers, most notably alien insurers (those not headquartered in the U.S.) are not rated by any service. If this is the case, make sure the agent or surplus lines broker has reviewed the financial statements of the insurer.

Gatekeeper: A healthcare professional the health insurer or health plan administrator designates to control and direct the management of health care services.

General Liability: Liability for business operations (does not include liability for vehicles).

Glass: Breakage coverage for building glass (windows and doors) and glass display cases can be obtained under a special policy or endorsement.

Motor Truck Cargo: A form of inland marine insurance that covers shipments by motor vehicle. (Usually the policy covers a specific territory or radius from a certain point and may cover risks incidental to the transportation, such as warehousing along the route or ferrying or "piggy-backing.")

Named Peril: Specific causes of loss named in an insurance policy. Causes not named are not covered. (See all risk.)

Outdoor Signs: Signs on the exterior of buildings, or free standing. (They are usually excluded under basic property policies, but may be insured through special policies or endorsements.)

Property Damage: Damage, including loss of use, to property of others. (For insurance coverage to be available under a liability policy, the damage must arise out of a covered circumstance or activity, and be accidental.)

Purchasing Group: A group formed under federal risk retention act to purchase insurance for its members. (The group must register with the Insurance Commissioner.)

Rental Value: The rents an owner-occupied building would command if it were rented. (This determines the coverage needed if the building cannot be occupied for a period of time because of a covered loss.)

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Replacement Cost: What it would cost to replace the property with new property of like kind and quality.

Reporting Form: A method of determining the coverage and premium for certain property and casualty insurance policies, where the insured reports property values, payrolls, sales, or some other business figures on a periodic basis (usually monthly or quarterly).

Rider: See endorsement.

Risk Management: The control of hazards or risk associated with business operations, and the management of claims; also, the process of funding claims or losses, including the decision of whether to insure, self-insure, or to use some other funding mechanism. (For example, one way to fund insurance on your building would be to sell the building to another party, then lease it back under a long-term lease with the stipulation that the owner maintains insurance.)

Risk Retention Group: A business chartered and licensed as an insurance company in one state and, under federal law, allowed to insure its members in other states without being licensed in those other states or complying with most of those other states insurance laws.

Robbery: See Crime.

Safe Burglary: See Crime.

Seasonal Endorsement: Provisions added to a policy covering personal property of the business that increases and decreases the coverage at predetermined times of the year. (Used to cover businesses with predictable seasonal variations in personal property values.)

Term Insurance: In life insurance, policies that exist for a predetermined time, such as the period of employment or until a certain age.

Territory: As the context dictates, this term can refer to an area in which coverage applies, or the place where property is located (in the case of a motor vehicle, the place where the vehicle is principally garaged).

Theft: See Crime.

Usual, Customary, and Reasonable: Standards a health insurer uses to determine the amount it will pay on a covered claim. The standards refer to the amounts generally charged for the same healthcare service in the general area where the service was performed, or the reasonable charges for that service in the absence of comparable charges.

Valuable Papers and Records: A type of policy or endorsement that covers documents valuable to the business, including the cost of reproducing the documents.

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Really Handy Checklist That's Helping Me Figure Out Exactly What I Need

Hey, you'll never guess what I've been diving into lately! So, you know how I've been trying to get my business insurance sorted? I stumbled upon this really handy checklist that's helping me figure out exactly what I need. It's not just your typical list, though; it's designed to help you chat with your insurance agent and make sure you have everything covered.

You'd be surprised to learn that not every business will tick off every item on the checklist. Each one is so unique! Some businesses might have specific needs, so it's crucial to be clear about what your business is all about when talking to your agent. I mean, you wouldn't want to be underinsured or paying for things you don't even need, right?

Now, back to the checklist! It starts with assessing direct damage to physical assets. You basically go through your building(s) and jot down information about the replacement costs, actual cash value, and even specific items like glass, outdoor signs, and business personal property. And get this: there's a section for things like valuable papers, antiques, and even jewelry! I had no idea how much I needed to consider.

You also have to think about things like rental income, alarm systems, and whether you have security measures in place. It's all about understanding how to protect what you've worked so hard for. Plus, there are sections for things like contractors' equipment and accounts receivable. You really have to think about every aspect of your business!

And, oh boy, the automobile section is a whole other adventure. I had to list every vehicle I own, along with the deductibles and coverage types. It really puts things into perspective!

The checklist even covers general liability and burglary! I never thought I'd have to think about theft or safe burglary in my business, but it's all in there.

Anyway, it's pretty eye-opening, and I feel like I'm getting a much clearer picture of what I need to protect my business. If you're ever in the same boat, I'd totally recommend checking out a loss exposure checklist. It's been super helpful for me!

Catch you later!

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LOSS EXPOSURE CHECKLIST

I. DIRECT DAMAGE TO PHYSICAL ASSETS

Location # _____

Street Address: _____

Building:

Replacement Cost: \$ _____

Actual Cash Value: \$ _____

Glass: \$ _____

Outdoor Signs: \$ _____

Contents (business personal property)

Replacement Costs: \$ _____

Actual Cash Value: \$ _____

Boiler and Machinery: \$ _____

Data Processing Values:

Hardware: \$ _____

Cost to Reproduce Data: \$ _____

Valuable Papers: \$ _____

Customers Property: \$ _____

Radio and TV Towers/Antennas: \$ _____

Jewelry: \$ _____

Antiques: \$ _____

Fine Art: \$ _____

Other Valuable Items: \$ _____

Rent Income or Rental Value: \$ _____

Does the Building Have

Alarm System:

Burglar: Yes/No

Fire/Smoke: Yes/No

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Sprinkler System:	Yes/No
Watchman Service:	Yes/No
Other Security System:	Yes/No
Elevators or escalators:	Yes/No
Is the building subject to building codes or ordinances that would increase the cost of repairs?	Yes/No
Values for all locations combined	\$ _____
Contractors Equipment, total value:	
Accounts Receivable, maximum value:	
Motor Truck Cargo:	
Maximum any one vehicle:	\$ _____
Maximum all vehicles:	\$ _____
Maximum any one incidental Storage location:	\$ _____
Total Business Annual Income:	
Advertising Income:	
Payroll, total annual:	
Monthly extra expense necessary to keep your business operating if your building (s) could not be occupied due to a loss	\$ _____
Maximum amount of your business' money or securities handled by:	
Any one employee:	\$ _____
All employees:	\$ _____
Maximum amount of money or securities belong to others handled by:	
Any one employee:	\$ _____
All employees:	\$ _____

Values for all locations combined

Automobile Physical Damage:
 Attach list of vehicles _____ # of vehicles deductible

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Collision:	\$	
Comprehensive:	\$	
Named Perils:		
Liability Limits needed:		limit
Automobile:	\$	
General Liability (non-auto):	\$	
Umbrella:	\$	
Other _____:	\$	
Other _____:	\$	
Crime Coverage:		coverage
Burglary:		
Robbery:		
Theft:		
Safe Burglary:		
Other _____:	\$	
Other _____:	\$	
Other _____:	\$	
Other _____:	\$	