



Business Insurance

Business Insurance Terminology

Binder

A document issued by an insurance company that acts as temporary evidence of insurance coverage for an applicant before a policy is issued.

Mitigate risk

To lessen the impact of potential hazards, such as a fire, theft, or security breach.

Package policy

Several separate business insurance coverages bundled into one and sold as a single unit.

Rating bureau

An organization such as the Insurance Services Office (ISO), that provides pooled industry data to small or specialty insurers that helps them develop rates and estimate costs associated with settling claims.

Risk management

A process designed to systematically manage an organization's accidental losses.

Business Insurance: Essential to Your Success

Your assets. Your reputation. Your customers. Lawsuits are on the rise, and without the financial protection that business insurance provides, you risk losing everything you've worked so hard to build. Don't take that chance. Protect yourself, your employees and the investment you've made in your company.

As a business owner, you assume a certain amount of risk just by the mere fact that you provide goods or services to the public. Take this scenario, for example: A customer is injured on your property and consequently names you in a lawsuit. All it takes is one unhappy customer and your business could take an overwhelming hit.

Business insurance helps manage these types of risks and protects your assets against losses like these that could be devastating to your bottom line. That's why making insurance part of your overall business plan is essential to the financial stability of your company.

The Insurance Information Institute recommends that every small business—at a minimum—should carry the following types of insurance¹:

- Property
- Liability
- Business auto
- Workers' compensation

Business Insurance (continued)

Business Insurance: Essential to Your Success (continued)

In addition, you may want to consider other types of insurance, including:

- Business owners policy
- Umbrella liability insurance
- Errors & omissions coverage
- Group health insurance

Position Your Business for Growth

Whether you are a sole proprietor and work out of your home, or you own a multi-location business with many employees, making sure you have the right business insurance built into your business plan is key. Consider:

- What would it cost to replace your company's assets, such as business equipment and inventory?
- How much can you afford to pay for a deductible?
- Could you reduce your premiums by taking loss-prevention measures such as installing security cameras on your property or providing workplace safety courses to employees?
- Will you save money on premiums if you combine multiple types of business insurance into one policy?
- Do you have enough business insurance protection to meet your state's coverage requirements?

To build business insurance into your company's long-term growth strategy, consult with a trusted business insurance agent to develop a plan that not only provides the coverage you need today, but can also easily expand to grow with your organization.

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¹ Insurance Information Institute. *Small Business Insurance Basics*. February 7, 2008. <http://www.iii.org>