When and How To Update Your Business Insurance Policy

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Business changes:

1. Changes in operations:

If your business has recently expanded by adding or removing operations, that means it's time to inform your insurance agent or provider of the changes.

Changes in your business' offered services, products, or other operations could leave you company without the proper coverage it needs. Depending on the changes, your company may need to increase or decrease limits on your existing policy or add new coverages.

2. Changes in staffing/payroll

As employees come and go, your business insurance will need to stay up to date to ensure your staff is protected on the job.

So, if you are currently hiring or plan to make adjustments to your payroll, reach out to your agent on how it will affect your insurance policy.

3. Moving/territory changes

Renovating your current building or moving to a new location can be an exciting time for any business owner.

However, there are more important thing to worry about for the office than what wall color to choose, as your current insurance policy may not properly cover the new or renovated space.

4. New contracts

With new contracts come new risks. If your business has a new partnership, you may be exposing your company to additional risks that may not be covered under your current policy.

Some partners may even require certain limits when signing with you to ensure they are protected.

What you should update:

- ☐ When adding new equipment or inventory, look into updating your commercial property insurance to increase or decrease coverage.
- ☐ Depending on the operations you are adding or removing, you will need to discuss what needs to change on your policy with your agent or carrier.
- ☐ Your list of operations/services should also be updated on your website, as insurers use this information when rating policies and any incorrect or outdated services could lead to lack of coverage during a claim or cancellation.

- ☐ When adding or reducing employees and payroll, look into adjusting your limits to accurately cover the new size of your business.
- ☐ Want to know more about covering your employees? Check out these articles:
  - *Does my Business Insurance Cover me for HR Issues (What to Know About EPLI)*
  - *What is Business Life Insurance? Why You Might Need Life Insurance for Key Employees*
  - *How Much Does MA Workers' Compensation Insurance Cost?*

- ☐ If you are moving to a new building or office, your new place will need a brand new insurance policy, as policies cannot be carried over from the previous business site.
- ☐ Renovations may be able to carry an existing policy, while just adjusting limits/coverages for the new additions.

- ☐ When dealing with new contracts or partners, be sure to ask about the limits they're looking for, so you know what areas of your policy need to be updated.
- ☐ Read: *How Contracts/New Contractual Requirements Affect your Insurance*

5. Ownership/business structure

If your business is making adjustments to the ownership or structure of the company itself, your existing policy will need to be updated or replaced by a new policy altogether.

For example, changing your business from a partnership to a corporation or merging with another organization, your current policy will be out of date.

- [ ] How your policy will need to be adjusted depends on the changes being made to your organization. Speak with you insurance agent or provider to discuss what areas of the policy you will need to update.
- [ ] Read: *Do I Need Workers' Compensation for Myself as a Business Owner?*

6. Auto operations

If your business is adding or updating its auto operations, such as delivery services, company cars for employees, or registering a vehicle in your company's name - you need acquire or update your commercial auto insurance.

As many changes to your auto operations can affect your coverage (new drivers, adding/removing vehicles, having a new garaging location, etc.), it's important to update your agent or carrier to receive the right amount of coverage for when you or your employees are on the road.

- [ ] Read: *What is Commercial Auto Insurance? Do I Need it?*
- [ ] If you are making updates to an existing auto policy, you should know the areas you should be frequently updating based on your business changes.
  - Read this guide for more info: *When You Should Update Your Commercial Auto Insurance Policy.*

7. Increased revenue

As the success of your business increases and your company grows, so will your assets. If your existing policy covers less than your company's current assets, then you will need to update your policy or get an entirely new one.

It's important for any sized business to have a policy that can grow alongside them, and if it cannot, it is likely time to change policies to receive the correct amount of coverage.

- [ ] When looking to get a new policy, business owners should know how carriers will be rating them.
  - Read: *What Commercial Underwriters Look For When Writing Business Insurance Coverage*
- [ ] Read: *Why You Should Review Your Commercial Insurance Annually*

8. New computer systems

As technology, computers, and software seem to advance each day, your business will likely make upgrades to its systems and devices. However, upgrading your computer systems could make you vulnerable to cyber attacks, which you won't be covered for with cyber liability insurance.

Cyber liability insurance covers the costs associated with a cyber attack or data breach. This includes coverage for malicious actions like:

- Hacking
- Viruses
- Phishing
- Denial of Service (DoS)
- Ransomware
- Malware

This coverage also extends to cover data losses from computer glitches, power surges, or accidental deletions

- [ ] When upgrading your software or computer systems, it might be time to update your existing or add a cyber liability insurance for additional coverage.
- [ ] Read: *What is Cyber Insurance and Do I Need it?*
- [ ] Read: *Common Cyber Insurance Claims that Could Happen to Your Business.*