

# Home Based Business Insurance Claim Scenarios



| CLAIM SCENARIO  | HOW YOUR HOMEOWNERS, UNIT OWNERS OR RENTERS POLICIES ARE LIKELY TO RESPOND TO THE CLAIM SCENARIO   | HOW HBB INSURANCE CAN PROTECT YOU FROM THE CLAIM  |
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| <p><b>A delivery driver, who is bringing you a new shipment of supplies for your business, slips and injures themselves on the front steps of your home.</b></p>  | <p>Most homeowners, unit owners or renters policies don't provide coverage for bodily injury claims that arise out of a business, even if that business is being run out of the home.</p>  | <p>HBB general liability insurance provides coverage for bodily injury claims arising out of your business, whether the accident occurs at your home or elsewhere within the coverage territory.</p>  |
| <p><b>You run a home craft business and you just invested \$12,000 for machines to create your products, but you also keep an inventory of materials. A pipe in your home bursts, and the business equipment and inventory are destroyed.</b></p> | <p>Some homeowners, unit owners or renters policies provide limited coverage for business personal property. But the limits provided may not be sufficient to pay for your loss. However, the damage to the home itself, as well as any nonbusiness personal property, likely would be covered by the homeowners, unit owners or renters policy.</p> | <p>HBB business personal property (aka contents) insurance provides coverage for damage to your machinery and inventory of materials. This coverage applies in excess of any other valid and collectible insurance that may be available to you.</p> <p>HBB business personal property will not cover any damage to the home itself.</p> <p>Loss of business income is not covered.</p> |
| <p><b>You are staging a home for sale and your employee accidentally damages the customer's front door when delivering a table.</b></p>   | <p>Homeowners, unit owners or renters policies don't provide coverage for property damage claims that arise out of a business.</p>   | <p>HBB general liability insurance provides coverage for damage that your employee might cause at a customer's property.</p>  |
| <p><b>An employee comments on social media that a customer cheated on their taxes before they became your customer. The customer sues you for slander.</b></p>  | <p>Many homeowners, unit owners or renters policies don't provide coverage for personal or advertising injury losses connected to your business operations.</p>  | <p>HBB general liability insurance protects you in the event of claims that allege libel or slander as a result of your business operations.</p>  |

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| <p><b>You are an accountant and release a tax return with a clerical error. As a result, the customer is audited by the IRS and incurs costs to travel to the audit and prepare additional paperwork. In addition, she loses time from running her business. She files a claim against you, and the court awards her \$2,000.</b></p> | <p>Most homeowners, unit owners or renters policies exclude coverage for any loss caused by a negligent act, error or omission arising out of professional services.</p> | <p>HBB professional liability insurance (aka Errors &amp; Omissions) protects you against claims that cause financial loss due to your negligence, error in judgment or mistakes arising out of your professional services.</p>                                |
| <p><b>You run a pet-sitting business and inadvertently leave a door open at a customer's home. The dog you are watching runs out the door and is eventually put in the pound. Your client pays \$200 to get the dog out of the pound and asks you to reimburse them.</b></p>  | <p>Most homeowners, unit owners or renters policies exclude coverage for any loss caused by a negligent act, error or omission arising out of professional services.</p> | <p>HBB professional liability insurance (aka Errors &amp; Omissions) protects you against claims that cause financial loss due to negligence, error in judgment or mistakes arising out of your professional services.</p>                                     |
| <p><b>You sell an organic cleaning product and one of your shipments has faulty packaging. When the shipment arrives at the customer's house, a damaged bottle falls out of the box and stains their sofa.</b></p>  | <p>Most homeowners, unit owners or renters policies don't provide coverage for property damage claims that occur because of products sold by you.</p>                    | <p>HBB general liability insurance provides coverage for damage that your product and/or service might cause at a customer's home.</p>   |
| <p><b>You do face painting on the weekends at parties and carnivals. One weekend, you accidentally get paint in the eye of a child and he must go to a walk-in clinic to cleanse his eye. The child's parents send a copy of the bill and ask that you reimburse them for the walk-in clinic cost.</b></p>                            | <p>Most homeowners, unit owners or renters policies don't provide coverage for bodily injury claims that occur because of your business operations.</p>                  | <p>HBB general liability insurance provides coverage for these types of injuries if they occur because of the business service you're providing. The medical payments coverage included under your HBB general liability insurance may apply to this loss.</p> |

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