



Information compliments of the Canada/Nova Scotia Business Service Centre 1-800-668-1010

Ask an Information Officer

Christine Thériault

I want to open a small business. Do I need insurance?

Business insurance is necessary if you want your business to be as risk-free as possible. You will want to protect your business assets, which may include the following: office, equipment, inventory, vehicles, employees, partners, and especially yourself. Insurance representatives help you find or develop a plan that would be suitable for the business and you.

Insurance companies offer many types of insurance and packages. Once the potential risks and losses of operating your business are identified, you will be better able to determine the kinds of insurance you will need. Here are some of the main types of insurance that are available to you and your small business:

- Life Insurance
- Property Insurance
- Business Interruption Insurance
- General Liability Insurance
- Key-Person Insurance
- Directors and Officers Liability Insurance
- Product or Service Liability Insurance
- Automobile Liability Insurance
- Environmental Liability Insurance

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Business Article

Finding the right insurance provider for your business

Jaime Wombolt

Every business needs insurance – here are some tips to help you find a provider.

With over four hundred insurance companies in Nova Scotia, choosing one to insure your business can be a daunting task. This number can be greatly reduced by narrowing your search to those that provide business insurance, as many of these agencies are involved only in the provision of health insurance, or limit themselves to insuring homes and automobiles.

The insurance providers in Nova Scotia range from small local agencies to large brokers. You may want a small company with community ties, or you may prefer a larger, national company with more outlets and advanced communications technology.

Among these providers, there are insurance agents and insurance brokers. Insurance agents work for one sole company, and only sell products from that company. Insurance brokers are not affiliated with any one company, and can offer you a range of products, plus find those that best suit the specific nature of your business. Insurance brokers must be licensed. To find an insurance broker near you, visit the [Nova Scotia Insurance Brokers' member directory](#).

The cost of insurance is, of course, an important consideration when choosing coverage. The Insurance Brokers Association of Canada offers [pointers](#) for keeping insurance costs relatively low.

Often, the best way to find a reliable insurance broker or agent is through word of mouth. Generally, there is nothing better than a recommendation from someone you know and trust. If this is not an option for you, here are a few things to consider during your search:

- How long has the company been in business?

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- Does the company have a good reputation?
- How is their financial rating?
- Which insurance providers does the broker work with? Are they reputable?
- Who are the major clients of the brokerage?
- Which industries are served by the company?
- Does the broker have Errors and Omissions coverage to protect you in case of a mistake on their end?
- Can they provide you with the kinds of coverage you need for your particular business type?

There are certain types of businesses which are higher-risk and require special kinds of insurance coverage. For example, an exporter can opt for insurance that will protect them in the case of non-payment by foreign customers.

Farms are susceptible to elements out of the control of the owner and affected by seasonal or annual fluctuations in income. Many insurance companies are dedicated to insuring farmers. Agriculture and Agri-Food Canada provides Production Insurance, as does the Nova Scotia Department of Agriculture and Fisheries: Nova Scotia Crop and Livestock Insurance Commission.

Some of this information may be available through independent research, but some may only be accessible through the company itself. The more questions you ask before making your choice, the better. If the representative you are speaking with seems uncomfortable with any of your

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Featured Website

Insurance Bureau of Canada (<http://www.ibc.ca/>)

Lynn Barclay

Offering advice and information on the Canadian insurance industry, the Insurance Bureau of Canada (IBC), a national trade association, works to improve communications with the public and government, news media and other industry associations.

There are three main areas of service provision: Insurance Information Services, Investigative Services Division (works with law enforcement, insurers and the Canadian Coalition Against Insurance Fraud) and Vehicle Information. The IBC web site provides information on:

- General Insurance Industry
- Home and Auto Insurance
- Business Insurance
- Industry News

The IBC recognizes that the right type of insurance can be essential to survival and sometimes difficult to select. Insurance is extremely important, especially since it is more common than ever for consumers, individuals, and businesses to rely on the legal system for conflict settlement.

The Insurance Bureau of Canada offers a risk management tool to help business owners recognize or reduce possible risks within their business. This allows entrepreneurs to select their sector to discover specific information related to their type of business.

Visit the web site <http://www.ibc.ca> or call 1 800-565-

7189 ext. 227 (Atlantic area) for information on these and other aspects of the insurance industry. The IBC has a membership of over 200 member companies and groups of companies who directly employ or contract services from the full time equivalent of 100,000 people coast to coast.

From Information to Business is a monthly publication of the Canada/ Nova Scotia Business Service Centre.

Our Mission

To improve the start-up, survival and growth rates of small- and medium-sized enterprises by giving business people in every part of Nova Scotia access to accurate, timely and relevant information and referrals

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- Credit Insurance
- Disability Insurance
- Critical Illness Insurance
- Partnership Insurance
- Contents Insurance

Not all small business owners are subject to all of these insurance policies. It is a good idea to prepare questions before meeting with an insurance representative. These are questions that you may find useful:

1. What kind of insurance do I need?
2. What is not covered in my policy?
3. Are there risks or hazards for which I cannot buy insurance?
4. Will my homeowners' policy cover my home business?
5. If my business is home-based, do I need more liability coverage than my home insurance policy covers?
6. What is my deductible and how does it affect my premium?

The Canada/Nova Scotia Business Service Centre Reference Library has several books that feature information on business insurance:

[Entrepreneur and Small Business Problem Solver](#)
[Insuring Business Risks in Canada: How to Get the Most for your Money](#)
[Canadian Legal Guide for Small Business](#)
[Managing Your Small Business](#)

Also see the document [Business Insurance](#) to find more information about the different kinds of business insurance and why insurance is important for every kind of business owner.

Hot Picks

The following books are available from the Canada/Nova Scotia Business Service Centre Library. These books may also be available in our resource centres, located throughout the province.

Canadian Legal Guide for Small Business

Nishan Swais, LLB

Canadian Legal Guide for Small Business is essential to you as a business owner who wants to be informed about the legal aspects of running your business. It covers a comprehensive array of topics – from contracts to copyright, from financing to insurance – and provides clear explanations of proprietorships, partnerships, and corporations. The information included in this book will help you ensure your business achieves its maximum potential.

You will also learn how to do the following:

- Choose a business structure
- Protect your intellectual property
- Understand contracts and use them to protect yourself
- Use packaging and advertising effectively
- Deal professionally with consumers and employees
- Resolve disputes successfully
- Keep proper tax records

The Entrepreneur & Small Business Problem Solver, Third Edition

William A. Cohen

This handy guide is packed with the kind of essential, down-to-earth advice everyone running a small business needs – whether

you need help with your business plan or collecting a small debt.

Inside, you'll find world-class guidance on these topics and more:

- How and where to find start-up capital
- Insuring your business
- Extending credit and collecting debts
- Financial record-keeping
- Carrying out marketing research
- Pricing products and services
- Marketing and advertising your business
- Doing business and marketing online
- Recruiting and managing employees
- Protecting your business and avoiding rip-offs

Insuring Business Risks in Canada: How to Get the Most for Your Money

Geoffrey R.E. Bromwich

Is your business insured? Most people face the fact that they may have a loss one day, from fire, accident, etc., and perhaps a serious loss. This book will give you the basics of insurance and help you to make intelligent decisions. The subject areas covered include the following:

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CLICK

www.cbasc.org/ns

CALL

1-800-668-1010

VISIT

1575 Brunswick St.
Halifax, N.S.

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questions or unwilling to respond, keep looking.

If you are still unsure of the company's reliability, the Better Business Bureau's web site has an information system that allows you to search reliability reports. This allows you to view any major complaints lodged against any type of company.

Hot Picks

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- How do I go about finding a broker?
- What is an insurance summary, and how do I set one up?
- How do I determine the actual cash value of my items?
- How do I protect my workers?
- How do I determine whether I carry enough public liability insurance?

L'Institut d'assurance du Canada

L'Institut d'assurance du Canada est l'organisme de formation professionnelle de l'industrie de l'assurance de dommages au Canada. C'est une association à but non lucratif regroupant 30 000 membres qui œuvrent dans le domaine de l'assurance de dommages, au sein de compagnies d'assurance et de réassurance, de cabinets de courtage, d'agences, de bureaux d'expertise, ainsi que d'entreprises ayant à leur emploi des gestionnaires de risques. De ce nombre, environ 16 000 sont des étudiants actifs et 12 000 sont diplômés des programmes de l'Institut.

Pour obtenir plus de renseignements sur les cours disponibles ou de l'information sur l'assurance pour les entreprises, visitez le site web suivant : <http://www.iic-iac.org/french/>.

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