



**BUSINESS
INSURANCE**



INSURANCE COVERAGE FOR A CLEANING BUSINESS

Are you thinking of opening a cleaning business? While you are in the planning stages, be sure to consider the type of insurance coverage you will need.

In the early planning stage of your business, you will need to contact an insurance agent who is knowledgeable about your area of operation. Ask owners of similar businesses to recommend agents. Second, you will need to discuss the details of your business, its exposures and the different types of insurance that are available to protect it. Your agent should be able to tailor coverage that is specific to your company.

The following are examples of insurance coverage that may be important for owners of cleaning businesses to consider. You may not need all of these coverages, and some can be bundled as a commercial package policy or business owner's policy. A bundled insurance policy could save you money. Work with your agent to ensure you have proper coverage.

COMMERCIAL GENERAL LIABILITY INSURANCE

A commercial general liability (CGL) policy provides coverage to a business for bodily injury, personal injury and property damage caused by your business operations, products, advertisements or completed operations. A CGL policy shields your business from the expenses of out-of-court settlements, litigation or rulings awarded by the courts.

BUSINESS PROPERTY INSURANCE

Business property insurance protects your company's physical assets, inventory, office space or warehouse. This coverage can help protect your business belongings from fire, explosions, burst pipes, theft, vandalism and other identified perils. It will replace stolen office equipment, repair damage to your office if caused by a covered peril and replace loss of income while physical structures or office space are under repair.

WORKERS' COMPENSATION/EMPLOYER LIABILITY INSURANCE

Workers' compensation pays most of the fees, such as medical expenses, when an employee gets sick or injured on the job. The employer liability insurance also protects your business if an employee files a lawsuit claiming the employer's negligence caused the injury or sickness.

CRIME INSURANCE

Crime can be a significant cause of loss for businesses and generally arise from two main factors: crimes committed by employees and crimes committed by other parties. Several coverage options are available to address crime loss exposures. Employee crimes are addressed through "employee dishonesty" coverage or a "fidelity bond." Crimes committed by others can be covered under a general commercial crime insurance policy that covers crimes such as forgery, burglary, robbery or theft.

INLAND MARINE INSURANCE

Standard property coverage is typically designed to protect the assets at your business address. But if you have equipment or materials that frequently move to different locations, you may need inland marine coverage. An inland marine policy can cover, for example, the power cleaners you use to clean floors.

BAILEE'S CUSTOMERS INSURANCE

Bailee's customers insurance provides coverage for the legal liability of damage or destruction of a bailor's property while under the care of a bailee. A bailee is a person or organization that has temporary possession of someone else's personal property, such as a cleaning or janitorial service provider.

UMBRELLA LIABILITY INSURANCE

Umbrella liability insurance provides additional liability protection. It covers claims made against you that might exceed your insurance policy's liability limits. Additionally, it may provide coverage for claims made against you that are not listed under your regular insurance policies, such as slander and libel.

BOND

A bond issued by a licensed security company may be needed when a license or permit is required by federal, state or local municipalities to ensure that the services promised by a business are completed according to regulation. Common types include surety, construction, commercial, notary and contractor bonds. To determine whether a bond is needed, check with the licensing or permitting authority. Surety bonds for cleaning businesses

also are called janitorial bonds. Like any other bond, a janitorial bond is a contract between three parties—the principal (cleaning/janitorial company) the obligee (the entity requiring the principal to obtain the bond) and the surety (the insurance company issuing the bond). Janitorial service bonds protect your clients if one or more employees steal from your company or the property where they are working. Bond amounts are often determined by the number of employees and the venue in which your company will operate.

REMEMBER

Insurance gives you the peace of mind to operate your business knowing it is protected from accidents, theft, legal matters and natural disasters. The right policy, or combination of policies, helps your business overcome a situation that has the potential to drain your resources and take your focus away from your operation. Check with a licensed insurance agent or a licensed insurer to discuss your business insurance needs.

ONE MORE THING TO KNOW

You can perform an online search to locate an agent or insurer. Access the insurance licensing portal on the DISB website or contact our office to verify whether the agent or insurer is licensed or authorized to conduct business in the District of Columbia.

If you have questions about insurance, please call DISB at 202-727-8000 or visit disb.dc.gov.

MISSION

The mission of the Department of Insurance, Securities, and Banking (DISB) is three-fold: (1) cultivate a regulatory environment that protects consumers and attracts and retains financial services firms to the District; (2) empower and educate residents on financial matters; and (3) provide financing for District small businesses.

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