



BUSINESS INSURANCE



INSURANCE COVERAGE FOR A MOVING COMPANY

Are you thinking of opening a moving 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.

Insurance requirements for moving companies stem from both federal and state regulations. These regulations ensure that a company has the amount of insurance needed to protect the owner in the event of a loss. Federal laws pertain to moving companies that transport consumer goods between states.

In general, moving companies have exposure to two categories of risks: property damage of company-owned assets, and bodily injury or property damage of customer assets. The Federal Motor Carrier Safety Administration, which operates under the U.S. Department of Transportation, has primary regulatory authority for the interstate moving industry. In addition, state and local governments enact their own statutes to supervise this activity.

As the owner of a moving company, you may offer your customers two choices of liability coverage.

1. Full protection allows your customers to fully protect their property and makes you liable for the replacement value of damaged or lost property for 100 percent of the shipment. Your customers pay a considerable amount for full protection coverage but can reduce the cost via their deductible.
2. Released value coverage means that when property is damaged or destroyed, your company can do one of three things: repair the item, replace the item with a like good, or make a cash settlement for the product's cost or present market value.

The following are examples of insurance coverage that may be important for owners of moving 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.

MOVER'S CARGO INSURANCE

A mover's cargo policy provides coverage for furniture and household goods while in transit.

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.

COMMERCIAL AUTO LIABILITY INSURANCE

Auto liability insurance provides coverage for bodily injury and property damage. If your employee accidentally backs into a customer's garage door with the company truck, for example, your business will be protected.

TIME ELEMENT INSURANCE

Time element insurance is an option for companies that rely on equipment, trucks and machines. It offers protection in the event of property damage that results in reduced earnings or increased expenses.

BUSINESS INSURANCE

A business owner policy combines protection for all major property and liability risks in one insurance package. This type of policy is usually less expensive than purchasing separate property and liability coverage.

KEY PERSON INSURANCE

Key person insurance offers protection for the business if something happens to key partners, employees, owners or founders of a business. Key person coverage is like a life or disability insurance product; it will pay a proceed in the event of the death or disability of a key person.

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.

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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