



# DISB

BUSINESS  
INSURANCE

## INSURANCE COVERAGE FOR A CLEANING BUSINESS

**Are you thinking of opening a cleaning business? 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 types of insurance coverage that may be important for owners of cleaning businesses to consider. You may not need all 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 adequate 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-pocket court settlements, litigation or rulings awarded by the courts.

### **BUSINESS PROPERTY INSURANCE**

Business property insurance protects your company's physical assets, inventory located in an 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 surety 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. 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.

## **BUSINESS OWNERS POLICY (BOP) INSURANCE**

A BOP combines three essential types of coverage many small business owners may need, such as: general liability insurance, commercial property insurance, and business income insurance. With BOP insurance you benefit from getting one bundled policy that is less expensive than separate coverage.

### **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](http://DISB.dc.gov).

### **DISB MISSION**

Our mission 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; and (3) support the development and expansion of business.

### **SOCIAL MEDIA**

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