

This Document is to support you with the information we discussed in the Insurance Training.

One of the biggest “stuck points” for people starting out in this industry is, understanding WHAT type of insurance is needed and HOW to go about finding it!

The intention of this resource is to help you have a clearer and bigger understanding of what you’ll need now to start your business.

There is NOT a specific code for the Concierge Industry.

But the code most traditionally used in our industry is:
NAICS Code 812990

This code “comprises establishments primarily engaged in providing personal services (except personal care services, death care services, dry cleaning and laundry services, pet care services, photofinishing services, or parking space and/or valet parking services).”

I always encourage people to talk to a local insurance “broker” because the broker can do all the leg work for you.

BUT we have also found that they often don’t understand what you do either, so it’s a learning curve for them.

Stay positive through the process – it can be VERY daunting, but you WILL get the coverage you need.

If you do offer other services, like transportation or pet sitting, those services have their own codes and will require further research.

When you approach either an insurance broker or you reach out to a specific company independently, you'll want to remember to be sure you have a "General Liability" or at times called a "Commercial General Liability Insurance" policy with a minimum of 1 million dollars in coverage.

You do NOT need "Professional Liability" unless you are providing more "professional licensure" type of services. When I was still working as a RN, I had my own supplemental "professional liability" insurance.

The **difference between** general **liability** and **professional liability** **is** the types **of** risk they cover. General **liability** protects against physical injury to people or damage to property arising from your daily operations. ... **Professional liability** covers negligence related to **professional** services or advice.

As with ANYTHING that is "legal" based, you MUST be sure to do your own due diligence and ensure there are no specific rules in the State/ Township or County with which you live.

A policy on average will cost you around \$800 for this "base" insurance.

In Part 2 of this training (if you've signed up for it) we go into greater detail and depth about "other" types of insurance to consider based on the SERVICES that YOU plan to provide.

If you would like to gain access to that training - you can do so here - **INSERT LINK**

Here's a list of a few companies who have written policies in the concierge industry:

MANY of my students have successfully had policies written through Hiscox Insurance.

Hiscox - <https://www.hiscox.com/>

Other national companies that have successfully written policies for us are:

State Farm - www.statefarm.com

Allstate <https://www.allstate.com/business-insurance/small-business-insurance-coverage.aspx>

Hartford <https://www.thehartford.com/>

Scottsdale - (also known as Nationwide E&S/Specialty)
<https://nationwideexcessandsurplus.com/public/index.jsp>

Liberty Mutual <http://www.libertymutualgroup.com/business-insurance>

For more information than you could ever want - Here's a GREAT source for "insurance related questions."

<https://classcodes.com/general-liability-class-codes/>

What is a “BOND” – and do you really need it?

Most of you don't need to be “bonded” at least in the beginning.

Surety Bond

A **surety bond** or **surety** is a promise by a **surety** or guarantor to pay one party (the obligee) a certain amount if a second party (the principal) fails to meet some obligation, such as fulfilling the terms of a contract.

Fidelity Bond

A **fidelity bond** is a form of insurance protection that **covers** policyholders for losses that they incur as a result of fraudulent acts by specified individuals. It usually insures a business for losses caused by the dishonest acts of its employees.

If aren't at the point of hiring “employees” – than this coverage does nothing for you.

Now that've you gotten your base insurance coverage, you've hung out your "shingle" (so to speak) and declared you're "IN business" (Congratulations by the way! - I'm super proud for you!)... Let's talk about "next level" insurance concerns and what you should be aware of.

BEING a Subcontractor

If you plan to work as a "subcontractor" for other, larger National Concierge Companies they will likely have their own insurance requirements.

In our experience, those larger companies will require you to carry:

- General liability of at least \$1 million
- Hired and Non-Owned Automobile Liability of at least \$1 million
- And to maintain a fidelity bond or insurance rider in the amount of \$25,000

Below (but not limited to) are some other insurance coverages that I discussed in the training:

1) Abuse Coverage

Taken directly from the internet:

"This coverage tends to be an uncomfortable subject for many home-based care providers. While it's difficult to contemplate the potential abuse of a vulnerable child or adult, it's essential to maintain coverage to defend against such claims by patients, consumers, or others acting on their behalf."

Abuse can take many forms:

- Sexual behavior, assault, battery or molestation
- Non sexual assault or battery
- Threatened or alleged acts

The need for this coverage is important and is necessary to pay for the defense, if a claim is brought against the caregiver or the home-based care provider.

If you are NOT performing duties working with aging clients, young children or doing work in nursing homes - you likely will never need this coverage.

2) Errors and omissions insurance (E&O)

This is a type of professional liability **insurance** that protects companies and their workers (or individuals) against claims made by clients for inadequate work or negligent actions.

We carry E+O because we do a lot of “paper management” and help clients with documents and files.

3) NON Owner (Non owned Auto)

When you **drive someone else's car**, the owner's auto **insurance** policy should cover you, assuming you are using the **car** with the owner's permission. However, if you get into an accident and the damages exceed the amount specified by the owner's **liability coverage**; you may be on the hook for a significant amount of money.

How to WORK with outside “Vendors”

As was discussed in the training when you work with other vendors such as a handyman, landscaper, electrician, etc., ALWAYS be sure they are insured.

A disgruntled client could come back to you and blame you for damage done by an outside service if YOU referred that service provider.

Protect yourself and ask that the service provider (electrician, handyman, etc.) provide YOU with a copy of their Certificate of Insurance (also referred to as “COI”).

If you plan on having a long term relationship with this vendor also request that they have YOU (your company name) added to their policy as “additionally insured.”

You can learn more about being “additionally insured” here:

<https://www.next-insurance.com/blog/understanding-additional-insured/>