



## Insurable Risks Derived From A Growing Businesses

Recently, small business owners were surveyed to help identify some of the top risks they faced when growing their businesses<sup>1</sup>. Many small business owners are unaware of the new, and increased, risks that come with growth. For example, many business owners erroneously think that a claim is not covered, so they fail to file the claim. A leading commercial insurer has identified the top five most costly business insurance claims.

### Leading losses for small businesses and the average claim cost

- Reputational harm: \$50,000
- Vehicle accident: \$45,000
- Fire damage: \$35,000
- Product liability: \$35,000
- Customer injury or property damage: \$30,000

### New and growing risks faced by expanding businesses

As your business grows, your risks change. It is beneficial for business owners to have an understanding of how risks change because of growth.

- **Contract disputes increase.** Growing businesses often develop relationships without written agreements, resulting in disputes.
- **Increased employee litigation.** When businesses hire new people, often they overlook proper hiring practices. This often leads to litigation. Make sure your business has an employment practices liability policy.
- **Increase in worker injuries.** A greater workload leads to increased hours and the possibility of employee injury. Your workers' compensation policy will cover work related injuries.
- **Building damage.** Often, growing businesses fail to pay attention to building maintenance, which can lead to all kinds of damage. Read your property policy to make sure you do not void your coverage through lack of attention to safety issues.