



# GENERAL LIABILITY VERSUS PROFESSIONAL LIABILITY

## WHICH TYPE OF LIABILITY INSURANCE IS RIGHT FOR YOUR SMALL BUSINESS?

Small businesses owners are faced with many different challenges when starting their business, one of them being what kind of insurance to buy. General Liability insurance protects businesses from a variety of risks, while Professional Liability insurance specifically protects against claims made by clients/customers. Here's a breakdown of the key differences between these two types of coverage.

### GENERAL LIABILITY INSURANCE

General Liability insurance protects a business from a wide variety of claims such as bodily injury, property damage, and personal injury.

### GENERAL LIABILITY POLICY COVERAGES

Some examples of General Liability claims include:

**Bodily Injury Claims** are caused when someone visits a place of business and is injured. A General Liability policy would help protect a business against any potential medical costs. A claim for bodily injury could be something as simple as slip and fall by a customer at the location or office of the business.

**Property Damage** is another liability claim commonly made. Business owners may face legal responsibility if a person or their property is damaged while on the premises of the business, such as a plumber completing work in someone's home but damaging the property in the process. This coverage is not just for physical property, as it can also apply to damage to electronic or digital data.

**Personal Injury Claims** are different than bodily injury because it refers to harm caused to a person or business's reputation. Examples of this include reputational harm, advertising infringement, and copyright infringement. All of these risks occur more often than one may think and paying the damages for these claims while uninsured can be detrimental to a small business and its cash flow. Having the right coverage can protect businesses from such claims and establish a sense of trust in the customer as well.

### PROFESSIONAL LIABILITY

Professional Liability insurance provides coverage for professionals and businesses against financial risks and claims of negligence from clients or customers. Professional Liability insurance typically covers negligence, copyright infringement, personal injury, and more.

While also an important insurance for small business owners to carry, Professional Liability differs from General Liability in several ways. Professional Liability focuses on protecting businesses from claims made for financial risks whereas General Liability covers claims made from physical risks such as slips and falls.

### PROFESSIONAL LIABILITY POLICY COVERAGES

Professional Liability policy can provide coverage for claims associated with the following:

**Negligent Professional Services** - a client suffers financial losses or damages due to negligent work on your behalf. Failure to uphold contractual promises - in the case of a business not completing or upholding the details of a contract between two parties.

**Incomplete or Substandard Work** - when a client does not believe the work provided by the business was completed or up to the standard of what was agreed upon. Errors and Omissions - mistakes or omissions made by a business while performing a service.

It is important for business owners to understand the difference between General and Professional Liability to be able to make an informed decision about which type of policy they need. General Liability protects a company from lawsuits filed by third parties, such as consumers or who were injured on your property. Professional Liability is designed for those in healthcare, law, architecture and engineering fields because these professionals are generally held liable without fault if something goes wrong with a project or service provided to a client. For more information on selecting the right coverage for your small business contact us today.

### INSURANCE COVERAGES FOR YOUR BUSINESS



GENERAL LIABILITY



PROFESSIONAL LIABILITY



WORKERS' COMPENSATION



BUSINESSOWNERS' PROGRAM



COMMERCIAL AUTOMOBILE



COMMERCIAL PACKAGE POLICY



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