



Co-Working Doesn't Mean Co-Insuring



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Freelancers, entrepreneurs, start-ups, and small business owners are taking advantage of a rapidly growing trend – co-working spaces. These days co-working spaces are popping up all over to the delight of those who need space but might not have funding for their own office.

Functioning essentially like a co-op, members have access to a professional or hip fully equipped office environment

on an as-needed basis for a fraction of what it would cost to rent and run a traditional workplace.

Aside from the multiple benefits – a clean and maintained space, a polished and professional receptionist to take phone messages and greet customers or clients, conference rooms that can be reserved for meetings, to name a few – business owners should know that there are risks too. If you have been wondering if you need your own insurance for your business at a co-working space, the short answer is a loud and resounding YES!

General Liability

Many assume that they are protected by the facility's general liability and property insurance – another huge saving – but that is only partly true. For example, if you slip on the floor of the bathroom and injure yourself, the lessor's insurance would likely cover your medical expenses. But this is likely where your co-working space may stop. They are not involved in the specifics of your business. For example, if you or one of your employees fail to deliver as promised or is accused of a copyright or intellectual copy infringement? Any insurance offered through the co-working space would likely not provide you any coverage. General liability insurance will protect you in the event of third-party bodily injury, property damage, product liability, slander, libel, and copyright infringement.

The office you rent is just like renting a home/apartment/condo. You are responsible for what happens inside those walls. If a client comes in and falls IN

YOUR OFFICE, it is not the co-working space's insurance; it's yours.

Property Insurance

One of the advantages of co-working spaces is that care and maintenance of the building fall to the property owner. However, most business owners have their own computers, laptops and other business necessities that would be expensive to replace if they were destroyed in a natural disaster or stolen. The owner of a co-working space would be covered for their business items – not yours, so some coverage here is a wise investment. Think about it like this: if you could pick up your office and shake it, anything that would fall out is your responsibility to insure.

You could also be held accountable for damage to other tenants. Let's say your computer catches fire. You are responsible for the impact on all the other tenants AND the damage done to the building.

Workers' Compensation

Most states require that any business with employees carry workers' comp insurance. Even if it's not required, not having it could cost your business, and most health insurance will not cover work-related injuries. Don't get stuck paying for costly medical treatment and lost wages for an employee who is injured on the job.

In addition to the coverage mentioned above, depending on your business situation, there may be other coverages that may be necessary or might benefit you. For example,

many start-ups will need to consider cyber and data breach policies, while others may need to acquire includes business owners, intellectual property, or trademark insurance. Other considerations are health, life, personal auto, and directors' or officers' insurance.

Relying on your co-working space lessor's insurance could be risky business. Any serious business owner can't afford to let their hard work and invested dollars go up in smoke by overlooking this critical and often affordable measure of security.

If you are considering or currently in a co-working space environment, make sure you are covering yourself, your business, and your employees properly.

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