

If you are thinking of starting your own electrical contractor business, or if you are planning to grow your existing one, you must become fluent in insurance speak and understand just how to piece together the insurance puzzle for your own specific company. Electricians face some unique insurance issues, so here is a basic primer on the types of insurance policies that you should consider for your electrician insurance program.

This guide should serve as an introductory overview of [insurance options for an electrical contractor](#). For more detailed information on any of these policies or coverage types, please contact our office and we will be happy to give you more one on one personal help.

[Liability Insurance](#) – If you have been an electrician for any amount of time, you have probably encountered the need for a certificate of insurance. If you don't know it already, you will soon find that you will have customers who will require that you prove to them that you have liability insurance on your electrical contractor business. This is the most obvious coverage type and it is usually the first one that electricians think to purchase. This is designed to provide you with protection for losses that you cause in the operation of your business for which you are legally obligated to pay.

[Workers Compensation Insurance](#) – Too many electricians, particularly smaller operations want to skip over this policy and not buy it at all. What drives this thinking is the NC law that says you don't have to purchase a workers compensation policy if you have 3 or less employees. But what people fail to realize is that if you don't purchase a policy, then your company is on the hook for paying all claims as though you were the workers compensation insurance company. Don't skip this coverage, one bad accident could put you out of business and ruin all that you have worked so hard for. For more information on workers compensation in general, you can visit the website for the NC Industrial Commission.

[Equipment Coverage](#) – This protection comes in two types. Coverage for your equipment and coverage for hand tools. We rarely see a strong need for equipment coverage among electricians, but don't let this fact lead you to forget to insure your hand tools and small equipment if losing those items would jeopardize your ability to stay in business. Often this coverage can be added for a small limit of coverage to your general liability policy for very little money per year.

[Business Auto Insurance](#) – Quite often, one of the first things an electrician does after starting up his or her business, is to title one or more personal vehicles in the company name. There are often nice tax advantages to this but if you do so, don't forget that you will need the insurance policy to be titled the same way. This means you will need a business auto insurance policy. One quick tip, if all of the vehicles that you own are listed on your commercial auto policy and you don't have a personal auto policy in your name, then you are vulnerable to a gap in coverage I call the DOC gap. To learn an inexpensive and easy way to protect yourself from this gap, read my blog on DOC for electricians.

Disability Insurance – What happens if you become injured and can't work? Who will do the work and who will run your business? Disability insurance is a good solution for you to solve this problem. Most electricians don't remember to cover this exposure and the failure to do so have run a few out of business.

It's clear that buying insurance for your electrical company is a complicated and specialized process. You need an agent who specializes in electrician's insurance, and one who can help you navigate the maze of policies and underwriting rules. At [Clinard Insurance Group, in Winston Salem, NC](#), we specialize in helping all kinds of electricians with their electrician insurance policies all over North Carolina. We can help you develop a plan that protects your business and saves you money on your electrical contractor insurance policies. If you own an electrician business in NC, then you owe it to yourself to call us, toll free, at 877-687-7557 or visit us online at www.LowRatesForElectricians.com and we will be happy to help you.