Your Guide to Business and Commercial *Insurance Solutions*

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RBFCU Insurance Agency

Introduction

Growing a business takes courage and tenacity. You're managing people, juggling priorities, and making tough calls every day. Somewhere in that mix, it's still important to develop tactics and strategies to help protect what you've built.

Fortunately, insurance policies can help, especially when it comes to safeguarding your company's financial well-being. With the right coverage in place, you may feel greater confidence and a stronger sense that you can tackle anything that comes your way.

To help you better understand business insurance fundamentals, this brief guide was developed with you in mind. With it in hand, you can think through your risks and understand how the right insurance coverage can keep your business moving should something … *unexpected* … happen.

In the insurance industry, the terms "business" and "commercial" are used interchangeably, but we joined them in this guide's title intentionally. We wanted to demonstrate that we're here to serve people with everything from casual side hustles to complex, rapidly growing enterprises. Indeed, the products we showcase in this publication can scale with your business.

Within these pages, you'll find straightforward tips about risk management, insights into particular insurance categories, and questions worth asking as your business grows. No pressure — simply a few insights to consider.

Finally, although we are proud to serve RBFCU members, we welcome inquiries from non-member business leaders in a range of industries scattered across Texas … and beyond.

Let's work together to protect your progress.

The Truth About Risk

and How Insurance Helps Address It

The word "risk" tends to spark anxiety. It may conjure images of costly workplace accidents, unanticipated business disruptions, and unforeseen natural disasters. But here's the reality: Risk can be both inevitable and manageable, particularly when it comes to concerns that insurance policies can help cover.

Indeed, the way you prepare for risk arguably can say more about your business's strength than any spreadsheet ever could. One might go as far as to regard the act of identifying and addressing risk as one of the most strategic moves a business owner can make.

When done well, risk management isn't solely about avoiding losses — it's also about demonstrating leadership, protecting your hard work, and positioning your company for long-term success. Cost-efficient insurance coverage has a role here to play as well.

Risk is part of doing business

Every business, no matter the size or industry, carries some level of risk. From workplace injuries to supply chain delays, business challenges come in many forms. Some are expected; others aren't. Even growth — something every business owner or leader wants — can introduce new vulnerabilities, from hiring issues to compliance concerns.

That's why risk management isn't a one-and-done task. It's an ongoing process of evaluating your company's exposure, staying ahead of potential disruptions, and making decisions that support stability over the long haul.

That effort may also involve putting together a team of staff and outside vendors — risk managers, attorneys, compliance experts, HR professionals and knowledgeable insurance agents — to help you tackle it.

Small problems can create big setbacks

It's not just natural disasters or major workplace accidents that can cause problems for business leaders. Seemingly smaller scale incidents — a broken pipe at a San Antonio restaurant on a busy weekend, a power outage at a Corpus Christi legal firm in the middle of a significant case — can lead to major headaches at inopportune moments.

In some instances, these "everyday" disruptions can quickly lead to lost revenue, damaged reputation, or possibly regulatory penalties, if you're not adequately prepared. Insurance coverage can help the recovery process go a little more smoothly.

This can be especially true for growing businesses. The more you expand by hiring more staff, opening additional locations, offering extra services, or launching new products, the more complex your risk exposure becomes. Again, good coverage — and a licensed insurance agent who can help you calibrate coverage solutions relevant to your company's risk exposure — can help.

From reactive to resilient

Sometimes business leaders are tempted to treat insurance as a box to check or an expense that they'd prefer to avoid. Yet, when chosen wisely, insurance coverage can be so much more than a fallback plan. It's a resilience tool — a way to absorb shocks, potentially recover faster, and keep moving forward when challenges arise.

By selecting the right business insurance policy (or policies), you can add to your company's financial safety net. In other words, you're not just preparing for the worst. You're preserving your ability to seize opportunities, invest in growth, and keep promises made to your clients and employees.

Insurance as an investment

When you view insurance through this more strategic lens, it becomes clear that your premiums represent so much more than a line item. They're strategic investments that may help you recover faster in the wake of an incident — preserving revenue, customer trust, operational continuity and your market position.

Like any carefully made investment, insurance coverage works best when tailored to fit your business plan. Your current policies should reflect your business's specific risks, goals and industry. Too often, however, the work of evaluating and modifying policies is forgotten in a sea of to-do lists.

By collaborating with a licensed insurance agent to review your existing coverage, however, you can explore ways to navigate options, identify gaps, and work to ensure you have cost-effective coverage that evolves as your business grows.

How Commercial Property Insurance
Can Fit into Your Business Plan

Practically every business relies on physical assets, from storefronts and warehouses to tools, inventory and tech. If a fire, tornado, hurricane, flash flood, or theft occurred and wiped out those assets, could your business afford to start over?

Commercial property insurance helps businesses recover from losses tied to buildings and contents. It can't prevent disasters, but it can help limit the financial damage. And it may potentially speed up your return to normal operations.

What it covers

Commercial property insurance helps cover repair or replacement costs when business property is damaged by:

- Fire or smoke
- Wind or hail
- Vandalism or theft
- Burst pipes or water damage

Coverage applies to buildings your business owns or leases, along with what's inside. Depending upon the policy, this may include furniture, inventory, machines, tools, signage and electronics.

For example, if a storm knocks out the power and spoils the inventory in a Houston restaurant's walk-in freezer, commercial property coverage can help replace that loss. If lightning damages servers in an Austin startup's office, your insurance company may help pay for repairs or replacements. These outcomes assume, of course, that your policies and riders reflect these possibilities.

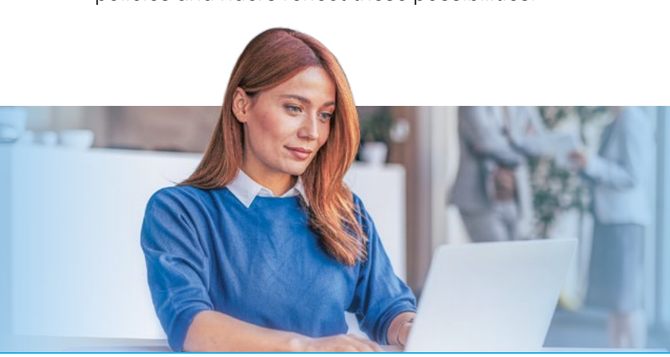
Who needs it

Many business owners assume property insurance is only for those with large buildings, such as manufacturing plants or companies with expansive office buildings or warehouses. Although coverage can certainly help those companies, it can also be useful in a wider range of settings and industries, including (but not limited to):

- Restaurants and cafés
- Retail stores and salons
- Tech firms and design agencies
- Farms, ranches and equipment-based businesses

Does the company that leases your building(s) to you have coverage? That doesn't mean that their policy will cover your property. Have a remote or hybrid team? There may be a policy option worth your consideration, depending upon your industry.

Basically, if your business depends on a physical location, essential equipment, or stored inventory, property coverage may be one of your most important tools for risk management.



Already have commercial property insurance? Be sure your existing coverage reflects your company's current needs.

If you've expanded, renovated or added new technology, your existing policy limits may fall short. A second opinion from the **RBFCU Insurance Agency** team might not only yield better coverage but also more affordable rates.

Policy Spotlight:
Business Automobile Insurance

From fender benders to major accidents, auto claims can be expensive. Business auto coverage protects your business from liability and damage costs. And it may be usage based, meaning that you might not pay as much for occasional driving.

Who needs it?

- Any business that owns, leases or operates vehicles for work
- Common industries or occupations
- Contractors
- Food services
- Delivery services
- Real estate
- Sales
- Lawn and landscaping
- Mobile service providers

What a policy might cover

- Liability
- Collision
- Medical payments
- Uninsured motorists
- Damage to business-owned vehicles

What to review in your current policy

- Coverage limits
- Excluded drivers
- Rental reimbursement
- Personal vs. commercial use

What to share with your agent

- Vehicle types
- How they're used, including if staff are allowed to take them home
- Driver lists
- Mileage

The Most Essential, Pragmatic Coverage You Can Get:
General Liability

Business leaders often juggle dozens of priorities, including growth, staffing, operations and customer service. But one of the most overlooked areas of protection is also one of the most foundational. And that's general liability insurance.

The name is as straightforward as the coverage can be essential. General liability policies help protect a business from claims related to bodily injury, property damage, and personal or advertising injury — the kinds of risks that unfortunately can arise from everyday operations. Slip-and-fall accidents, damage to a client's property, or an innocent misstep in your marketing collateral can lead to costly legal action. Through a general liability policy, you can prepare for those worst-case-scenario costs, so a single incident doesn't totally derail your momentum.

Never had a claim made against you or your business? That's great! But there's no guarantee that it'll never happen. Have a business without a storefront for customers to visit? Liability may protect your team when they're out in the field.

Worried about premium costs? Consider the possibility that years of premium payments could be only a fraction of what a single lawsuit might require of you financially. Much like a seatbelt, a general liability policy is something that you hope to never need but understand it's there to protect you.

General liability coverage isn't about expecting the worst. It's about preparing yourself and your business to manage the unexpected with more confidence. Small claims can create big disruptions. In today's litigious environment, it may take only one incident to trigger financial strain. General liability can provide more peace of mind as you work to maintain focus on your core business vision and processes.

It's also a pragmatic choice. General liability coverage is usually affordable relative to the protection it provides. In some cases, it may be required for leases, vendor contracts, and client agreements, which means having it in place could make you more responsive to new opportunities.

Most importantly, carrying general liability insurance signals leadership. It shows that you take your responsibilities seriously. That's an important message to send to your customers and team, and it may also enhance your brand's reputation.

What about "BOP"?

A business owners policy (BOP) combines general liability and commercial property insurance into one policy. Well-suited for small to mid-size companies with employees who interact with the public frequently, it can help protect you from risks such as (but not limited to) property damage, liability claims and business interruption. Much like bundling your personal home and auto policies, a BOP may make your coverage more affordable. Best of all, it can help support your business as it grows in complexity.

*Tip: Interested in a BOP? Call **RBFCU Insurance Agency** directly at **1-888-564-2999** to speak with a licensed agent during regular business hours.*

Policy Spotlight:
Investment and Rental Property Insurance

Standard homeowners insurance won't cover tenant-occupied properties — but "landlord insurance" can.

Who needs it?

- Owners of rental homes, multi-family units, or mixed-use properties

Common industries or occupations

- Real estate investors
- Property managers
- Individual landlords
- Businesses with physical sites
- Construction
- Manufacturing

What it might cover

- Building damage
- Liability
- Loss of rental income
- Certain types of legal defense

What to review in your current policy

- Tenant activity exclusions
- Loss-of-rents limits
- Liability coverage

What to share with your agent

- Occupancy type
- Rental terms
- Tenant screening process
- Property maintenance details

E&O and D&O:

Two Policies that Protect Business Leaders

Beyond having a great idea or desirable product, business success ultimately depends on two things — doing great work and making sound decisions. Yet even the most capable professionals and careful leaders can face legal fallout when something goes wrong. That's where **Errors and Omissions (E&O)** and **Directors and Officers (D&O)** insurance come in.

Though often confused, these two policies serve different purposes. Together, however, they can form a powerful line of defense for your business, your reputation, and the people on your team who keep things moving. Plus, they signal integrity and credibility to all of your stakeholders.

E&O: When services are in the spotlight

Errors and Omissions insurance — sometimes also referred to as "professional liability coverage" — is designed to address claims related to the work your business provides. If a client believes your service, advice or deliverable caused them financial harm, E&O can help cover legal defense, settlements or judgments, including instances for which the claim is baseless.

Commonly carried by consultants, freelancers, agencies and other service-based entities, E&O protects against the kind of professional liability that can easily derail a growing company. Some clients may require it, but, even if they don't and you're still a small company, you may be vulnerable to paying out-of-pocket legal costs if a lawsuit occurred.

As an example, let's say that a small, up-and-coming Austin marketing agency misses a key deadline, causing a client to lose a product launch opportunity. The client sues for damages. E&O helps pay legal fees and, if necessary, may cover a settlement. This potentially spares the agency from a major financial hit.

D&O: When leadership is on the line

Directors and Officers insurance protects the decision-makers at the top — founders, executives and board members. It covers claims of mismanagement, breach of duty, or failure to comply with regulations. These claims can come from investors, employees or perhaps even regulators.

What makes D&O distinct from E&O? It's designed to protect individuals, not the organization. Without it, a director or officer named in a lawsuit might have to pay for their own legal defense, potentially risking loss of significant personal assets in the process.

Here's an example: A board member for a large Dallas manufacturing firm is sued by a former firm employee who claims wrongful termination was tied to a discriminatory policy decision. D&O helps cover the legal response and protects the board member from personal liability.

It's worth noting, too, that D&O coverage is a popular solution for nonprofits, particularly if the board of directors is heavily involved with day-to-day operations or is comprised of affluent community members. In fact, anyone contemplating joining a nonprofit board may want to inquire about whether such coverage is in place.

Why you might need both

E&O covers what your business does, or the professional services you provide. D&O covers how your business is run, or the decisions leadership team members make.

If you offer any kind of professional advice, consulting, or service — and your business is led by directors, officers, or key decision-makers, both policies can work together.

Many small and mid-sized business leaders believe these protections are only for large corporations. In reality, smaller organizations often have fewer resources to absorb legal costs, making these policies potentially more critical.

Smart solutions for growing organizations

As your business or nonprofit grows, so might your exposure to claims. You may take on more clients, hire more staff, or form a board. Each milestone adds complexity — and potential legal risk. Fortunately, adding E&O and D&O insurance doesn't need to be complicated or outrageously expensive. A licensed insurance agent can help tailor coverage to your specific industry, structure and risk level.

Workers Compensation and Your Brand Reputation

In Texas, workers compensation insurance isn't mandatory, but it remains an important type of coverage to consider. Not only might it be contractually required by some of your clients (e.g., governmental agencies), but also this type of coverage can play a key role in protecting your team, operations and reputation.

Alas, many Texas businesses opt out of coverage, assuming that, since they don't have clients that require it, they can address any claims directly. They might also think that, given the nature of their industry, workplace injuries are unlikely. Some business owners may believe that, since it's not required by the state, companies can't be sued. And that's false.

A single incident for which an employer is held responsible can result in costly medical expenses, lost wages, legal fees, and long-term consequences. "Workers comp" insurance can help cover those costs. More importantly, it demonstrates to your employees that you're committed to their safety and well-being.

Ideally, that commitment goes beyond the dollars and cents they help you earn. And a workers compensation policy has the potential to strengthen and enhance your employer brand, which is reflected in how well potential employees perceive your business as a place where they'd like to invest time and energy.

Offering workers compensation insurance also shows your leadership and forward-thinking mindset. It tells your team you're going beyond meeting the minimum standards to employ them.

Such actions can help reinforce trust, loyalty and morale, which can translate into stronger performance and lower turnover. It may also foster discretionary effort, or the willingness your team has to go "above and beyond" for you. In turn, this may help unlock insights and innovation that can transform your operations. And that could benefit both you and your customers.

When you lack coverage, however, you expose your business to far more than short-term financial risk. An injured employee with high medical bills — even one who loves your business — may be forced to sue for compensation. What if they win? Could you afford a hefty payout? Worse, word can spread fast in your community if the lawsuit becomes openly contentious. Potential hires, vendors and clients may hesitate to engage with a business that doesn't prioritize their team members' safety.

Plus, workers comp insurance also helps your team recover faster from setbacks due to accidents. Employees who know they're supported might be more likely to seek medical care promptly and may return to work with more confidence. Staff resiliency has the potential to reduce downtime and disruptions to business operations.

Worried that the cost of coverage might be too high for how few employees you have currently? You may be able to work with a licensed insurance agent to scale coverage and only pay for what you truly need.

Texas gives employers flexibility with regard to workers comp. But with that flexibility comes responsibility. Carrying workers comp insurance may not always be a legal requirement, but it may be regarded as a mark of leadership, integrity, foresight and care.

As a business leader, you may regard the coverage as a way to help align your company's values and actions while also nurturing a culture of accountability and resilience. Most important, in the event of a lawsuit (legitimate or not), the coverage may protect you financially, too.

Bottom line: Even in the Lone Star State, workers compensation coverage can help protect your business and enhance your employer brand. After all, strong businesses protect what they build — including the company's workforce.

Why Business Insurance Is Worth It
(Even When Money Is Tight)

When money isn't rolling through your business like it used to do — thanks to a sluggish economy, volatile stock market, or a tough business quarter in your particular industry, you may be tempted to trim your budget. Alas, sometimes insurance premiums may be targeted, too.

Yet, in the midst of a difficult financial moment, the right coverage (at the right price) might matter more than ever. Don't make the mistake of confusing the need to simply find more affordable rates with a need to drop coverage!

During downturns, small disruptions can hit a little harder financially. A broken water main on your property, a liability claim made by a customer or employee, or a massive outage that spoils your inventory … these things don't wait for your bank balance to appear healthier.

Simply put, the right commercial coverage, carefully calibrated to align with your risks, industry, assets and budget, has the potential to protect not only your bottom line but also your operational continuity. It may also contribute to your company's resilience.

In the event of an unforeseen obstacle, the right insurance policy (or policies) may keep operations moving while giving your team and clients more confidence that you're built to last. Good coverage may help you avoid reactive, costly decisions — paying entirely out of pocket to cover recovery costs, downsizing your staff to stay afloat, or temporarily shuttering your company — in the wake of an accident or incident.

Yes, when funds are short, protecting what you've built may be worth every penny.

Choose the Right Business Coverage: 5 Easy Steps

Finding the right insurance doesn't have to be a daunting, time-consuming process. With a little conversation and guidance, you can protect your business without overpaying or missing key coverage. Here are five easy steps to help you get started:

1 Know your risks

Every business faces unique risks based on industry, size and operations. Take time to assess potential exposures — property damage, liability, employee injuries, or business interruptions. This gives you a clear foundation for building your coverage.

2 Prioritize the essentials

Start with core protections like general liability, property insurance, and workers compensation (even if you're in Texas, where it's optional). Don't forget to address federal or state requirements related to your industry.

3 Review your contracts

Some landlords, clients or vendors may require certain coverage types or limits. Make sure your policies meet those requirements to avoid delays, fees or lost opportunities.

4 Choose the right agency

Working with an agency that has a team of licensed insurance agents can help you get advice tailored to your business. A friendly, knowledgeable agent can help you understand what each policy covers — and what it doesn't — so you're not left with gaps or surprises. They can also help you explore riders or additional coverage if you want extra protection.

5 Review and reassess coverage needs each year

As your business changes, so might your risks. An annual review of your policy can help ensure that your coverage stays aligned with your current business needs and goals. In addition, as part of annual budget preparations, you might want to set aside funds for deductibles.

Remember: The right insurance coverage can be more than a necessary safeguard. It can also serve as a tool for nurturing resilience, growth and peace of mind. *With these five steps as your guide, you'll be ready to choose wisely — and protect what matters most.*

Coverage that scales with your business

From new businesses to thriving enterprises, we've got policy solutions.

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