



Business Management | Managing Risk

Insurance Checkup: Do You Have the Right Coverage?

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Your customers shape your business, and in order to survive our rapidly changing economy, you'll want to respond to their evolving preferences. For instance, because of COVID-19, more people are relying on the internet to buy items. In fact, 32% of Americans have [ordered food online](https://www.pewresearch.org/fact-tank/2020/04/30/from-virtual-parties-to-ordering-food-how-americans-)

(<https://www.pewresearch.org/fact-tank/2020/04/30/from-virtual-parties-to-ordering-food-how-americans->

[are-using-the-internet-during-covid-19/](#) from local restaurants. This means certain businesses can benefit from adding more digital options like:

- Meeting with clients with video conferencing tools
- Expanding your online store
- Offering free shipping for online purchases

But as you make adjustments like these and continue to innovate you'll need to look at your insurance coverages to make sure you're still protected.

Recent Challenges for Small Businesses

COVID-19 abruptly shut-down many businesses, causing them to re-think the way they operate. Some changes that are shaping the future of small businesses are:

- **New government regulations:** Federal and state governments have been releasing guidelines during COVID-19 to help keep everyone safe. These are shifting how businesses engage with their customers.
- **Social distancing and face masks:** Customers, employers and employees are all expected to wear face masks in businesses when social distancing is not possible. And to help keep everyone six feet apart, many companies have mapped routes throughout their stores to help guide the flow of people.
- **Outdoor dining:** Many restaurants are now serving customers only outdoors to keep everyone safe from COVID-19.
- **Limits on social gatherings:** Many small businesses are regulating how many people are in their building at the same time. This helps reduce everyone's exposure to the virus.
- **Managing remote workers:** Many small businesses have switched to working from home during COVID-19. This has increased the need to connect online and find new ways to manage their employees. However, many businesses are finding that remote work is just as productive as before.
- **Losing customers:** If your small business lost money during COVID-19, you're not alone. But there are ways to get customers flowing back into your business. For instance, you can offer discounts, sales or more convenient delivery options.

- **Letting employees go:** One of the hardest challenges many small businesses have faced is laying off their employees due to decreased sales. However, as you continue to innovate and find new solutions, you may be able to increase your sales and hire your workers back.
- **Supply chain disruptions:** COVID-19 impacted more than just your company, it likely caused your supplier to shut-down or make fewer deliveries. This may have impacted your inventory and caused some of your products to be out of stock temporarily. Or if you own a restaurant, maybe you have to change your menu. But remember, finding new products or new recipes may help strengthen your business in the long-run.

As your business operation continues to change during COVID-19, it's a good idea to review these insurance policies to make sure you have the right coverage. You'll want to understand how you could be liable for claims filed against you by customers or employees:

- **General liability insurance:** Re-opening your business means your clients will face the risk of catching the virus in your building. This means if your customer claims they caught the virus due to your negligence, they may file a claim against you. However, this is difficult to determine, and most of these policies exclude infectious diseases.
- **Directors and officers (D&O) insurance:** Your shareholders and stakeholders could sue your business if you fail to operate normally due to COVID-19 concerns. For instance, they may claim that you failed to detail how the virus may impact your company's finances.
- **Workers' compensation:** If your employees think they caught COVID-19 at your business, they may file a workers' compensation claim.
- **Data breach and cyber insurance:** Many businesses are selling more items online and relying on remote workers, which increases the need for cyber insurance to protect personal information. Because of this trend, the chances of data breaches have increased for companies.

Solutions for Your Evolving Coverage Needs

XactPay

If your business isn't open full-time or is operating with shorter hours, you may want dynamic billing. One option you have for this is our [XactPay cash-flow solution](https://www.thehartford.com/commercial-insurance-agents/small-business-payroll-partners) (<https://www.thehartford.com/commercial-insurance-agents/small-business-payroll-partners>), which uses real-time payroll to calculate your workers' compensation premiums. This results in more accurate payments that help you avoid paying more than you need to throughout the year.

Our XactPay solution works by having your payroll company send us your payroll amount. We also have solutions for businesses that self-report their payroll and don't work with another company.

Once we have your payroll amount, we'll calculate your owed premium based on your exact payroll. You'll then receive a "withdrawal notification" before we deduct your premium from your bank account for each payroll cycle. When you switch to XactPay, you'll also see benefits like:

- No large down payments
- No monthly billing or finance fees
- No fees or service charges
- No more late payments

Cyber Exposure

During COVID-19, many small businesses have shifted their focus to ecommerce. But with this change has come more phishing emails, malware programs and hacking schemes. These all result in more potential for data breaches.

Small businesses have also been switching to remote work during COVID-19. With more employees working fully online, you'll want to make sure you safeguard your business by:

- Updating your antivirus software
- Backing up your information
- Training your staff

You'll also want to review your [data breach and cyber liability insurance](https://www.thehartford.com/cyber-insurance) (<https://www.thehartford.com/cyber-insurance>). Whether your policy is from us or another company, this coverage is meant to help protect you from the risks and

damages resulting from using technology. For example, if you suffer a data breach or lose your customers' or employees' personal information, this insurance can help cover you.

Digital Self-Service

If you're planning on going to more pop-up shops or markets because your business will be operating with reduced hours, you may want to [use our digital self-service tools](https://www.thehartford.com/commercial-insurance-agents/small-business-digital-tools) (<https://www.thehartford.com/commercial-insurance-agents/small-business-digital-tools>). These allow you to easily print Certificates of Insurance, which can be useful for any business, whether you're a photographer, contractor, tech consultant or even accountant. Our self-service tools also offer you easy payment options and online access to your policy or billing documents.

Additional Resources

To learn more about the coverage you need during COVID-19, reach out to your insurance advisor. You can also call our representatives at [855-829-1683](https://www.thehartford.com/contact-the-hartford) (<https://www.thehartford.com/contact-the-hartford>). They can help answer any questions you have while finding the right coverage for your small business needs.

You can also use our [business insurance coverage checklist](https://sba.thehartford.com/wp-content/uploads/2020/07/Business-Insurance-Coverage-Checklist.pdf) (<https://sba.thehartford.com/wp-content/uploads/2020/07/Business-Insurance-Coverage-Checklist.pdf>) to see if you need to update your policies. You can also read through these links to learn more:

- [How much does small business insurance cost?](https://www.thehartford.com/small-business-insurance/how-much-does-small-business-insurance-cost) (<https://www.thehartford.com/small-business-insurance/how-much-does-small-business-insurance-cost>)
- [Types of small business insurance](https://www.thehartford.com/small-business-insurance/types-of-small-business-insurance) (<https://www.thehartford.com/small-business-insurance/types-of-small-business-insurance>)
- [Pay-as-you-go billing](https://www.thehartford.com/workers-compensation/pay-as-you-go-workers-comp/automatic-payments) (<https://www.thehartford.com/workers-compensation/pay-as-you-go-workers-comp/automatic-payments>)

As you continue to face new challenges, it's important to remember that change often comes with uncertainty. And that can be scary for many business owners, but not if you're willing to adapt and switch up how you do things. In fact, over time, change can even strengthen your business.