

Q&A's from 1st Issue – December 19th, 2003

Q: I'm thinking of starting a home business, is there anything that I need to do first?

A: It's good to see that you are planning your new business endeavor instead of just jumping in. There are a few things that you should look into first.

- 1) Zoning laws in your neighborhood – Check with your local court house to see if it is permissible to conduct business from your home in that neighborhood. Some neighborhoods are more strictly enforced than others. Some, depending on the nature of the business, will allow certain businesses while prohibiting others.
- 2) Occupational licenses – Once again, check with your local court house and see if you are required to obtain an occupational license. If you are, most cities will require that you have a fire inspector visit your property and deem it safe. This is especially so for businesses that will have vendors or clients visiting often.

Q: Am I required to purchase insurance to cover my business?

A: There are many types of insurance that you may consider purchasing for your business. It greatly depends on the nature of your business and what liabilities you may have. Some of the most common ones are:

- 1) Property Insurance – This protects the business from loss of assets. The cost will vary and usually you only need to purchase enough to cover your business property.
- 2) Homeowners' Insurance – This will protect your business in case there's a home fire or damage due to rain or storms. It will also cover liability if a visitor gets hurt on your property.
- 3) Auto Insurance – If you have a 'company car' for your business.
- 4) Theft Insurance – Recovers loss incurred by theft.
- 5) Fidelity Insurance – Will cover your losses from frauds and thefts from employees and in some cases, third parties.
- 6) Liability Insurance – Covers you against claims that someone was hurt on your property.
- 7) Product Liability – Protects your business against claims that your product caused damage or injury.
- 8) Professional Liability – Covers claims over malpractice and should be considered by anyone offering services.

There are a few more but as you see, you need to determine based on the type of business that you will be operating which suits your needs and which would only be an added expense.

Q: How do I go about getting the help and advice that I need?

A: There are a few guidelines to follow on this:

- 1) Carefully choose someone that is experienced with small, home based businesses.
- 2) Make a list of the professionals that you feel you would need and see if you already know someone in that area that can assist you. Make appointments to interview them.
- 3) Learn as much as you can about your profession and what your needs are.
- 4) Although it's great to have a professional in your corner, learn from them and trust your instincts. If you have doubts about something, research it on your own.

***Disclaimer – This column is for the sole purpose of basic business advice and it is not meant to be taken as or replace legal advice.*