Business insurance for manufacturers: 3 coverages to consider.

If you run a manufacturing company, how do you know if you have all the insurance you need to fully protect your business? The broad term “manufacturing” encompasses many kinds of companies. Since this is not a one-size-fits-all industry, there are ways to customize business insurance for manufacturers and build a policy with the right coverage.

A standard policy should include coverage for your business property (which includes your building, equipment and inventory) and liability protection for claims due to bodily injury and property damage. General liability insurance can help cover claims up to the coverage limits in your policy. However, it’s worth noting that general liability insurance doesn’t cover all types of claims.

Depending on how your manufacturing business is set up, reviewing these types of additional insurance coverage could help your company prepare for the unexpected:

1. **Equipment Breakdown Coverage.** Your general policy will cover equipment damage or loss caused by external forces (a fire, storm, etc.). But what if a sudden power surge or outage puts your entire facility out of commission? Or a key piece of machinery breaks down in the middle of an important production run? In these scenarios, equipment breakdown coverage could pay for both the business income lost and the repair or replacement of the damaged machinery.

2. **Professional Liability Coverage.** Also called errors and omissions coverage, professional liability is additional insurance designed to protect your business from the costs of faulty workmanship, materials, design or product. For instance, if a shipment of parts to a customer is faulty in some way,

professional liability coverage would pay for the costs of manufacturing a new batch for that customer.

3. **Cyber and Data Coverage.** These days, computers and tablets are everywhere—not just on office desks. Even computerized manufacturing equipment can be hacked, just like your computer. While a standard business insurance policy will cover computer hardware, it generally does not cover software or the costs arising from a cyberattack. For that, you'll need cyber and data coverage. This protection can help your business respond to machine hacks, ransomware attacks, data breaches and more.

These aren't the only add-ons to consider. For instance, if your company uses a work truck or van, you may want to add a commercial auto policy. And workers' compensation insurance can help employees who get hurt or sick on the job cover medical expenses and return to work.

Business insurance for manufacturers should be made to suit your unique business needs. If you're unsure which coverage is right for your company, an independent agent can help.

Bonus Read: If you operate your manufacturing business from home, check out, Insurance a Self-Employed Business Owner Should Consider.