

Does Working from Home Invalidate Your Home Insurance?

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When you work from home, your responsibilities include making your own coffee, being the workplace janitor and staying on the right side of your home insurance plan parameters. Let's look at how working from home—as an employee or self-employed person—affects your home insurance and how to protect yourself when you start working from home.

How working from home affects your home insurance: Employees

According to a recent [CBC article](#), “Most [home insurance] policies have exclusions which state there is not a business operating out of the home. That definition of a business could include workers who are doing their job for their employer.”

[Square One Insurance Services](#) says, “Some insurance providers consider working from home to be “incidental business use,” which may or may not be excluded under a standard home insurance policy.”

And, [Intact Insurance](#) suggests adding liability and property coverage to your home insurance plan if you work from home.

The bottom line is that working from home as an employee can affect your home insurance coverage—but the only way to find out for sure is to talk to your insurance company. Insurance plans and agencies are different so you can't rely on generalities; instead, you must learn how it affects the plan you signed up for.

How working from home affects your home insurance: Self-employed/small business owners

Running a small business out of your home is not likely covered by your standard home insurance plan.

According to [The Co-operators](#), “Home-based business coverage is available as an extension of your home insurance. If your business is larger than the typical one to two-person home-based business operation, you may need to consider standard business insurance.”

However, they also say that if you don't have high-value equipment or inventory in your home and you don't have clients coming to your home, you could simply add a few pieces

of business equipment to your home insurance as an endorsement.

If you do have clients, contractors or vendors coming to your home for business, you open yourself up to liability exposure which is not included by your home insurance.

Again, the bottom line is talk to your insurance company to make sure you know what's covered and what's not covered in your plan. And, if your small business has expensive inventory or equipment and you have people come to your house for business purposes, ask about how to protect yourself with an extension or separate insurance coverage.

What to do when you first start working from home

If you have a home insurance policy and you work from home occasionally, regularly or all the time, it's up to you to stay on the right side of your insurance company. If you aren't transparent with them, they can deny your claims if you're not properly insured for your work-from-home situation. Don't let that happen to you!

Make sure working from home doesn't invalidate your home insurance by:

- **Calling your insurance company** – Tell them your work-from-home situation and ask how that affects your home insurance coverage.
- **Upgrading your insurance coverage as necessary** – This could mean adding “incidental business use” to your home insurance, adding business equipment as an endorsement to your current plan or getting standard business insurance. Make sure the solution fits your situation.
- **Updating your insurance as your business evolves** – If you go from being a work-from-home employee to starting your own home-based business and employing three people out of your basement, your insurance needs will change. When your situation changes, call your insurance company again to make sure your insurance coverage expands as you do.

Conclusion

Insurance coverage is complicated and particular—don't make assumptions about whether you're covered! When you start working from home—for whatever reason—talk to your insurance agency to make sure your coverage is suitable for your employment or business situation.

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