

# If Co-workers Come to My Home on Business, Does My Liability Insurance Cover Them?

Andrea Bassett | May 3, 2020



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If a co-worker falls down your stairs and sues you, does your liability insurance cover it? That depends on the purpose of the visit and the type of liability insurance you have. Let's look at the different types of liability insurance and how you can protect yourself from litigious colleagues whether you're an employee or self-employed professional.

## What is liability insurance?

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According to the [Financial Consumer Agency of Canada](#), "liability coverage protects you against legal liability for losses caused by injury to other people [and] damage to the property of others."

But before you start putting banana peels at the top of your stairs when your colleagues come over, it's important to know what kind of liability insurance you have.

## What's the difference between home and business liability insurance?

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The simple answer is that home liability insurance is for home and business liability insurance is for business. And, if your business is at home or you're an employee who works from home, your total insurance protection must reflect that situation.

If you've never addressed your work-from-home status with your insurance company, it's time to do that. You want to assure your home liability insurance covers business-related personal injury and property damage. This way, you'll be protected if your colleagues come over, hurt themselves and take revenge on you in the courtroom. [To learn more about how working from home can affect your home insurance, read our article, *Does Working from Home Invalidate Your Home Insurance?*]

## How employees can protect themselves from business liability while entertaining business guests

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It's important to know if your home insurance includes liability insurance. If you have no-frills home insurance, personal liability coverage may not be included.

But even if you have personal liability coverage, that might not be good enough if your home insurance policy doesn't account for your work-from-home status. If you're an employee who works from home, you must let your insurance company know and upgrade your policy to protect yourself if it's lacking. The solution depends on your insurance company and policy—they're all different so you'll only find the "right answer" by talking directly with your own insurance company.

But to point you in the right direction, some options include adding "incidental business use" to your home insurance, adding business equipment as an endorsement to your current plan and adding personal liability to your home insurance.

## **How self-employed people can protect themselves from business liability while entertaining business guests**

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If you run your business from home, your home insurance is unlikely to cover your business assets and liabilities. According to the CBC article, *Working from home? Check your insurance policy*, "Most [home insurance] policies have exclusions which state there is not a business operating out of the home."

You can rectify this situation by adding "incidental business use" to your home insurance and/or getting business insurance that includes liability coverage.

### **Zensurance suggests there are three common types of business liability insurance:**

1. Commercial general liability insurance.
2. Directors' and officers' liability insurance.
3. Professional liability insurance, also known as errors and omissions.

Commercial general liability insurance is meant to protect you against the risks of property damage, bodily harm and other disasters that can happen during business activities.

But again, don't take my word for it—call your insurance company to get the information specific to your company, policy and work-from-home situation.

## **Conclusion**

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Liability insurance is an important component of your home and/or business insurance policy if you work from home as an employee or a self-employed professional. Especially if you do business with others in your home. Once you adjust your insurance solution to reflect your employment and business status, you can host your colleagues—worry-free—whether they're visiting for business or pleasure!

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