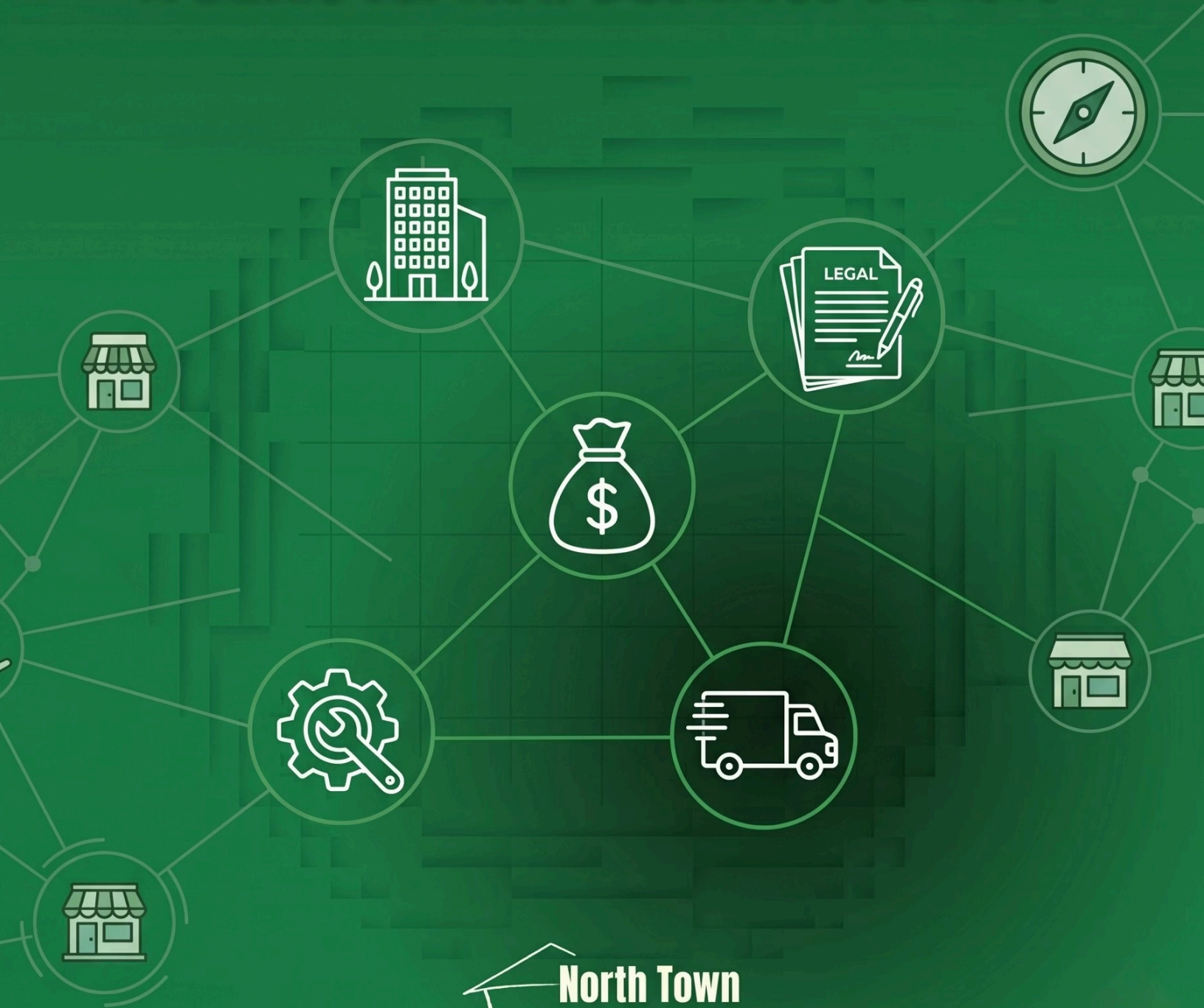


Navigating Commercial Insurance:

A Guide for New Business Owners



The Foundation: Protecting Your Business Assets

Starting a business in Washington State is an exciting milestone. However, transitioning from an employee to an owner fundamentally changes your risk profile because you are no longer just responsible for your own work—you are responsible for the entire environment you create.

To help protect what you've worked so hard to build, this guide breaks down the cornerstones of commercial coverage and explains Washington's unique rules. Our goal is to empower you to make confident, informed decisions as you establish a resilient foundation for your business's future.



General Liability (GL)

Think of this as your robust defense against third-party claims. If a client slips at your office or you accidentally damage a customer's property, GL is there to advocate for you. It's the baseline requirement for most commercial leases and contracts in the Pacific Northwest, and virtually every landlord or commercial partner will ask for proof of this coverage before signing.




Commercial Property

Whether you own a building in Spokane or work out of a home studio in the Valley, your equipment needs a comprehensive plan. Standard homeowners' policies often exclude or severely limit coverage for "business property," meaning your high-end tech or specialized tools might be fully exposed without a dedicated commercial policy.



Professional Liability (E&O)

If your business provides advice, design, or specialized services, Errors & Omissions coverage is essential. It's designed to help you limit exposure if a client claims your professional guidance caused them a financial loss – a risk that general liability alone does not typically address.

 These three coverages form the bedrock of most commercial insurance programs in Washington state. Think of them as your business's first line of defense before layering on additional protections.

The Washington Variable: Workers' Compensation

Washington has a unique Workers' Compensation system: if you have employees, you are generally **required** to get coverage through the **Washington State Department of Labor & Industries (L&I)**, not a private carrier. That surprise catches many new owners off guard, especially if they moved here from another state.



Monopolistic State

Washington requires L&I coverage, not private Workers' Comp carriers.

All Employees Covered

Part-time and seasonal workers are included when coverage is required.

The L&I Gap

L&I covers medical and wage replacement, but not every personal lawsuit risk.

Stop-Gap Coverage

Employer's Liability helps fill the legal liability gap beyond the state fund.

Sole Proprietors

May opt in or out – consult an advisor to choose the right approach.

Understanding Stop-Gap Coverage

As your business grows and your workforce expands, Stop-Gap coverage is a key layer to discuss so you aren't leaving a meaningful hole in your defense.

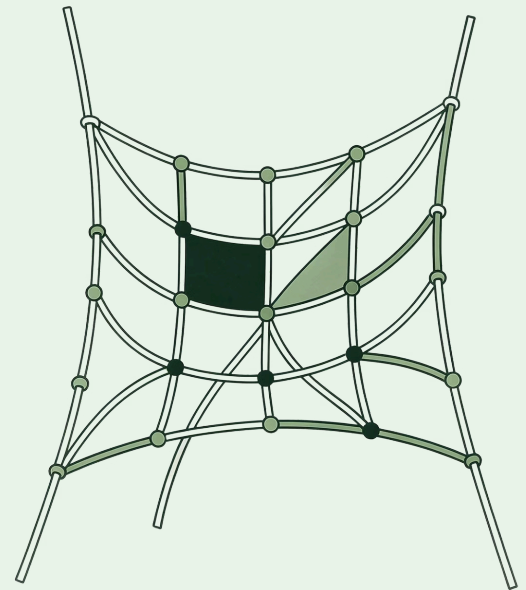
What L&I Covers

Medical expenses and wage replacement for work-related injuries, paid through the Washington State L&I fund.

What Stop-Gap Covers

Employer's Liability (Stop-Gap) protects your business assets if an employee pursues legal action beyond what the state fund covers.

⚠ Failing to register with L&I when required can result in significant fines and penalties. If you're hiring your first employee, this should be one of your very first compliance steps.



Bridging the Gap: Personal vs. Business Coverage

One of the most common and costly mistakes new business owners make is "commingling" their personal and business risks – assuming a single personal policy will handle everything. Understanding where your personal coverage ends and your business coverage must begin is essential to building a truly resilient strategy. Here are three critical areas to address early.



The "Business Use" Auto Trap

If you're using your personal vehicle to deliver goods, visit multiple job sites, or transport clients, your personal auto policy may not respond during a claim. Even a single business errand can create an exclusion. A commercial auto policy provides a more resilient solution – built specifically for how business owners actually use their vehicles day to day.

Cyber Liability

In an era of digital transactions, a data breach can be financially and reputationally devastating for a small business. Cyber liability coverage helps you manage the fallout – from legally required customer notifications to recovering lost or compromised data. It's one of the fastest-growing coverage needs for Washington small businesses of all sizes.

Umbrella Coverage

For those seeking a higher level of security, a Commercial Umbrella policy sits on top of your existing liability limits – General Liability, Commercial Auto, and more – providing an extra layer of advocacy when the unexpected happens and a single underlying policy limit isn't enough to cover the full scope of a claim.

Why Partner with an Advisor?

Insurance shouldn't be a transaction – it should be a partnership. As your business evolves, expands, and takes on new clients, employees, and equipment, your coverage needs will shift with it. Working with a dedicated Advisor means you always have someone in your corner who understands both the insurance landscape and the unique realities of running a business in Washington state.



Empowered Knowledge

We believe in educating our clients, not just selling them policies. When you understand your coverages, you make more confident decisions at every stage of business growth.



Carrier Access

Our relationships with multiple carriers mean we can search the market for the most competitive available rates that fit your specific industry, risk profile, and budget.



Industry-Specific Review

We go beyond generic policies. We review the details of your specific operations to identify gaps and exposures unique to your industry before they become a problem.



Peace of Mind

Sleep better knowing a dedicated professional has reviewed your risks, compared your options, and built a strategy designed around protecting what you've worked hard to create.

We're not here to sell you a policy – we're here to help you build a business that lasts. We believe in a solutions-focused mindset rooted in trust, transparency, and genuine advocacy for our clients.

The Vehicle Question: Logos, Decals & Commercial Auto

Taking your brand on the road is a fantastic way to build visibility in your community. But before you add a sleek vinyl logo to your personal truck or purchase a dedicated company van, it's crucial to understand how that decision changes your risk profile – and your insurance obligations.

The "Logo Effect"

Putting a business logo, decal, or wrap on your personal vehicle signals to the world – and to insurance carriers – that the vehicle is being used for commercial purposes. Even if you're just running a quick personal errand, that branding fundamentally shifts how the vehicle is classified.

If you're involved in an accident while driving a branded vehicle under a standard personal auto policy, the carrier could potentially **deny the claim**, leaving your hard-earned business assets vulnerable to a lawsuit or damages you'd have to cover out of pocket.

Are You Using Your Vehicle for Business?

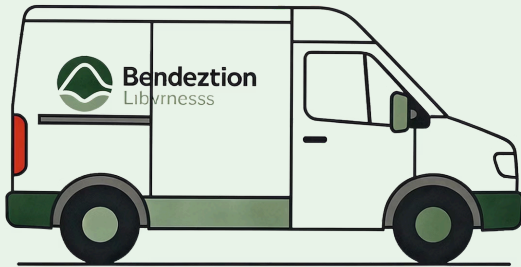
Beyond branding, it comes down to how you actually use the vehicle day to day. Personal auto policies contain strict exclusions for business use. Ask yourself:

- Are you visiting multiple client job sites?
- Are you hauling specialized tools or business equipment?
- Are you delivering goods or transporting customers?
- Is the vehicle registered or titled under your business name?

If you answered yes to any of these, a personal auto policy is likely not sufficient – and a commercial policy is the right move.

Making the Switch: Transitioning to Commercial Auto

Transitioning to a Commercial Auto policy is the best way to establish a robust defense for your business travel. Whether you have a single car used occasionally for client meetings or a growing fleet of branded vans, a commercial policy is built to be comprehensive and ready for the unexpected. As your trusted Advisors, our goal is to empower you with the right information before you hit the road – collaborating with you to make the transition seamless and ensuring the most competitive available options are secured for your specific needs.



Assess Use & Branding



Check Policy Exclusions



Move to Commercial Policy

This simple three-step process helps new business owners avoid costly coverage gaps and ensures your vehicles are properly protected from day one of commercial use.

Let's Build a Resilient Foundation Together

Starting and running a business in Washington is an incredible achievement, and navigating the complexities of commercial risk shouldn't be something you have to do alone. You've worked hard to build your venture – our job is to help you build a comprehensive strategy to protect it, so you can stay focused on what you do best: growing your business.

As your dedicated Advisors, we believe in a proactive, solutions-focused approach. We collaborate with you to understand the unique nuances of your operations, working to limit your exposure and prepare you for the unexpected. When we partner together, you aren't just getting a policy – you are getting an advocate who empowers you to make confident decisions for your business's future.

Step 1: Connect

Reach out to Team NTI for a no-pressure conversation about your business and current coverage situation.

Step 2: Review

We'll review your risks, industry exposures, and any existing policies to identify gaps and opportunities.

Step 3: Build

Together, we build a comprehensive, competitive coverage strategy tailored to your specific business needs.

Step 4: Grow

Sleep better knowing your business is protected. Focus on growth while we keep watch over your coverage.

☑️ 📞 Call or 📱 Text **Team NTI** at **509-483-3030** – Ready for a better insurance experience for your auto 🚗, home 🏠, boat 🚤, motorcycle 🏍️, or business 🏢? Let's connect today.

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