

MANAGING LEGAL LIABILITY SERIES:

Questions to Ask when comparing insurance coverage

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Choosing proper liability insurance can be daunting and confusing. However, it's important to compare policies to find the one that best fits the needs of your individual operation. Here are some questions to ask your insurance agent when comparing policies.

- What types of products are covered by my product liability insurance? What types of products are not covered?
- What types of incidents are covered by my general liability insurance? What types of incidents are not covered?
- Does my liability coverage extend to only one market or to all of the markets that I attend?
- Does my coverage extend to my employees and representatives and their actions?
- Is there a deductible? How much is it?
- How much does the premium cost?
- How much does the insurance cover per occurrence?
- What is the aggregate limit of the insurance policy?
- Does the insurance apply to:
 - Your premises and operations liability?
 - Your products and operations liability?
 - Your contractual liability to others?
 - Your personal injury liability to others (libel, slander, invasion or privacy)?
 - Your advertising injury to others?
 - Your property liability damage to others?
 - Incidental medical malpractice liability resulting from aiding an injured person?
 - Non-owned watercraft liability?
 - Host liquor liability?
 - Court costs for defense (above limit or included in liability policy limit)?
- Are employees added as additional insureds?
- Are there additional charges for adding public land management agencies, such as the U.S. Forest Service or others?
- Is the premium a set fee, based on a percentage of gross sales, or client days?
- Do you have to join an association to get insurance?
- Are there representations in the policy that the guests or operators must adhere to for a claim to be honored?

- Does the insurance agent understand your proposed agritourism, fee-recreation, food, and/or farm business?

Source:

- North American Farmers' Direct Marketing Association <http://www.nafdma.com/>
- Agri-Business Council of Oregon <http://www.aglink.org/>
- Farmers' Market Coalition <http://farmersmarketcoalition.org>
- Nonprofit Risk Management Center <http://www.nonprofitrisk.org>
- The New Agritourism (2008) by Barbara Berst Adams