

Name _____

Guarding Your Business: The Importance of Insurance

Open-Ended Response Answer Key

1. Answers may vary, but potential risks of not having business insurance include financial vulnerability in case of unexpected events, legal disputes, and damage to the business's reputation. Benefits include financial protection, peace of mind, and enhanced credibility, which can contribute to the success and growth of the venture.
2. In a bakery, general liability insurance could come in handy if a customer slips and gets injured on the premises. Property insurance would be essential in case of a fire damaging the bakery's equipment and property. Workers' compensation insurance would be relevant if an employee is injured while baking. In an art studio, similar scenarios could apply.
3. The protective shield of business insurance provides peace of mind for a business owner, knowing that they have financial support to handle unexpected challenges. It offers security and stability, allowing the owner to focus on growth and creativity, just like an artist creating their artwork without worrying about external disruptions.
4. Business insurance, like responsibility in art, is an essential part of responsible entrepreneurship. Responsibility involves being prepared for unforeseen events, just as artists take responsibility for their creative process and the quality of their work. By having insurance, business owners demonstrate their commitment to their venture's success and their responsibility toward their team and stakeholders.

