



Business - Ensuring Your Business is Strong - Licenses and Insurance

By Dr. Linda Hancock

ABOUT THE AUTHOR

Dr. Hancock has written a regular weekly column entitled "All Psyched Up" for newspapers in two Canadian provinces for more than a dozen years. Over the years, her readers and clients have said that they have benefited from her common-sense solutions, wisdom, and sense of humour. Dr. Linda Hancock, the author of "Life is An Adventure...every step of the way" and "Open for Business Success" is a Registered Psychologist who has a private practice in Medicine Hat. She can be reached at 403-529-6877 or through email office@drlindahancock.com

Published

August 9th, 2009

There are some costs of doing business that cannot be ignored without consequences. Research will allow you to ensure that you have the proper licences and insurance to protect your business.

Licences:

1. Professional licences - You will need to contact your regulatory body in order to determine exactly what annual fees and requirements are to obtain your licence to practice. One of the most important things you will do each year is pay the fees in full by the date they are due so as not to jeopardize your credentials.
2. City or municipal - Each region has its own bylaws and you will therefore need to do some research to determine what licences are needed in order for you to open and operate your business. Sometimes therapists are classified as health professionals and are therefore exempt from other business costs. You may be required to pay city taxes even if you do not own the office building. If you are unsure where to begin, contact City Hall and/or another professional in your field to gather information.

Insurance:

We never notice the leak in the roof until it rains but how we wish we had purchased insurance when it rains!

There are three types of insurance that the sole professional will need to consider purchasing:

1. Liability - If someone files a formal complaint or decides to sue you, your entire life will be affected. It may take months or even years to come to a resolution and the legal costs can mount significantly. Many Employee Assistance Programs require that you have at least \$2 million coverage but some demand as much as \$5 million coverage.
2. Property - A fire or flood can leave you in a very vulnerable position. and actually prevent you from re-establishing your practice on a short or long-term basis. Purchasing property insurance will help you to replace items that are destroyed or damaged.
3. Life and Disability - You and your family will suffer if you are ill or disabled to the point that you cannot work. Disability insurance can provide you with an income until you are able to return to your business. Also, your family will be protected from financial vulnerability which may occur upon your death, if you have an appropriate amount of life insurance.

The insurance industry is quite competitive and you might find that you can save a great deal by pricing out policies from different companies. Ensure, however, that they have comparable benefits and that your final purchasing decision is not just based on price.