

Advertiser Disclosure

Insurance &gt; Business Insurance | Ultimate Guide

## Life Coach Insurance: Coverage, Providers & Cost

Fit Small Business has partnerships with some of the companies featured in this article. When you click on links to those sites, we make money. These partnerships help support our site so we can keep bringing you the best answers to your questions.

By **Jaclyn Moriarty** on July 2, 2020

Jaclyn worked in content marketing for financial services and has written for a number of finance and insurance companies. Her expertise is highlighted across insurance content on Fit Small Business.

Life coaches offer expert advice to individuals, so they need professional liability insurance in case they're sued over their services. Policies typically cost between \$400 and \$1,800 annually, depending on your business size. Life coaches should also consider purchasing a business owner's policy (BOP), which costs about \$600 annually, as well as commercial auto insurance and cyber liability coverage.

If you're a life coach and need affordable insurance, check out [Hiscox](#). This carrier specializes in small business insurance—making it a great fit for life coaches running a sole proprietorship or microbusiness. Complete a short online application to get started.

[Visit Hiscox](#)

### What Is Life Coach Insurance?

Life coach insurance is several [business insurance policies](#) available to protect your business from a variety of losses. Because life coaches provide professional advice clients rely upon, they need protection in claims arising from this service. If someone sues your business for giving poor career advice, for example, a professional liability policy could protect you from financial loss due to the lawsuit.

Life coaches seeking affordable coverage should work with an insurer that allows the purchase of a [BOP](#), along with additional supplemental coverage, such as professional liability. BOPs are the most cost-effective way to obtain both general liability and property insurance, the policies that protect business owners from their most common losses.

### Who Needs Life Coach Insurance?

Coaches generally work with clients to assist them in changing habits, reaching goals, and overcoming obstacles in their work and personal lives. However, some are experts in a specific field. Types of life coaches may include:

- Leadership
- Executive/business
- Career
- Personal improvement
- Wellness
- Spirituality
- Family and romantic relationships
- Organizational

Coaches in any of these disciplines may have problems if clients take issue with specific approaches and methodologies. Obtaining life coach insurance is a great way to protect yourself while continuing to provide beneficial services to your clients. This is particularly true for life coaches who work privately or own a small business.

### Top Life Coach Insurance Providers

Provider	Best For
<a href="#">Hiscox</a>	Sole proprietors who want multiple policies from a carrier specializing in business insurance
<a href="#">Alternative Balance Professional Group</a>	Wellness coaches seeking policies that specifically cater to their profession
<a href="#">CPH &amp; Associates</a>	Professional liability policies for health coaches with no deductible and state licensing board defense coverage
<a href="#">biBERK</a>	Career coaches who want a customizable BOP to meet their coverage needs
<a href="#">SimplyBusiness</a>	Executive coaches who want bundled general liability and professional liability protection

#### Hiscox

[Hiscox](#) is a top-rated insurance provider that specializes in very small businesses like sole proprietors and microbusinesses. This carrier also understands niche industries, such as therapy and life coaching, allowing it to provide tailored coverage for your specific risks. Bonus: Hiscox has an easy online application that takes little time to complete and, in most cases, you can purchase your policy online too.

#### Alternative Balance Professional Group

[Alternative Balance Professional Group](#) offers comprehensive coverage underwritten by leading insurers, including Lloyd's of London, and tailored specifically to wellness coaches and other health coaching professions. Alternative Balance includes one package for general and professional liability under different policy levels if you're employer, student, or sole proprietor. The annual policy gives you membership in its professional group automatically, which includes benefits like trade resources and an affiliate program.

#### CPH & Associates

If you want a policy with no deductible for professional liability coverage, [CPH & Associates](#) is the ideal provider for life coach insurance. CPH & Associates focuses specifically on professional liability insurance and provides a policy offering broad protection, including unlimited coverage for defense costs, as well as state licensing board defense coverage. Its dedicated focus ensures you'll have full coverage for all expenses associated with responding to misconduct claims.

#### biBERK

[biBERK](#) is a good choice for career coaches that want a quick, easy, and customizable approach to business insurance. Backed by industry giant Berkshire Hathaway, biBERK offers an excellent BOP with a wide range of limit and deductible selections, as well as add-on umbrella and cyber coverage. This provider also offers customizable professional liability coverage for purchase online. biBERK has one of the simplest online applications with the option to buy coverage online immediately.

#### SimplyBusiness

As an online broker, [SimplyBusiness](#) works with multiple top-rated insurance carriers, including CNA and Travelers, to bring policies to small business owners. Executive coaches who need affordable general liability and professional liability coverage should fill out the company's online application. It's easy to complete and often returns multiple quotes to compare, allowing coaches to easily choose the coverage that best suits their operations and budgets.

## What Business Insurance Do Life Coaches Need?

Types of insurance that are important for life coaches include professional liability, general liability, commercial property, cyber liability, and commercial auto. Together, these life coach insurance policies offer comprehensive protection from lawsuits and ensure their property and business are insured against potential loss.

### Most Common Types of Life Coach Insurance

Type of Insurance	What it Covers
<b>Professional Liability Insurance</b>	Legal costs from lawsuits over professional errors, omissions, and negligence
<b>General Liability Insurance</b>	Accidental bodily injury or property damage to third parties
<b>Commercial Property Insurance</b>	Business-owned property and/or equipment that gets damaged or destroyed
<b>Cyber Liability Insurance</b>	Costs resulting from cyberattacks and data breaches
<b>Commercial Auto Insurance</b>	Your liability in accidents in business-owned vehicles

#### Professional Liability Insurance

Life coaches are held to a certain professional standard, so they could be sued for negligence if their advice causes harm. If a life coach is sued for breaching confidentiality or giving bad career advice, [professional liability insurance](#) can pay legal defense costs and any resulting settlement or damages. Also called errors and omissions insurance, professional liability covers accusations of failure to deliver promised results or making mistakes.

Any life coach could be sued, so getting covered before offering professional advice is advisable. If a client reacts negatively to your services or accuses you of breaching a confidentiality agreement, they may choose to sue your life coaching business. Some life coaches may also want to consider sexual abuse liability insurance because of the personal nature of their services and close contact with clients.

#### General Liability Insurance

Life coaches could be sued by a client injured on their premises or if the life coach damages a client's property during an in-home consultation. [Commercial general liability insurance](#) covers your legal fees in third-party claims for bodily injury or property damage. Any nonemployee can be a third party, so a general liability insurance covers situations like:

- A client claiming you spilled coffee on her personal laptop during a home consultation
- A client tripping on the sidewalk leading to your office
- An electrical fire at your office that causes smoke damage in a neighboring shop

A general liability policy covers the costs associated with a client's medical expenses or repairing or replacing her damaged property. Accidents can happen anywhere, including your office or a client's home, so it's important to invest in this basic coverage.

#### Commercial Property Insurance

[Commercial property insurance](#) covers business-owned structures and the contents within them. For life coaches, that may include their office space and any furniture, computers, and fixtures, as well as any specialty equipment for their coaching niche. Most commercial property policies have a blanket limit—basically, a single limit for all the property at one location. Make sure your limit can sufficiently cover the cost to replace or repair your business property.

Most commercial property insurance covers damage caused by:

- Fire
- Vandalism
- Theft
- Hail
- Windstorm
- Burst pipes

The easiest way to get property coverage? Bundle it with general liability to a business owner's policy. A BOP combines general liability and property insurance, so life coaches need only to purchase one policy for both coverages. This is often the most cost-efficient way to get these coverages, plus BOPs typically come with business interruption insurance if you're forced to halt your business operations due to a covered event temporarily.

#### Cyber Liability Insurance

[Cyber liability insurance](#) covers the restoration of computers after a cyberattack or data breach, but also your public relations and crisis response to protect your business's reputation. Life coaches who keep files containing highly personal and confidential material related to their clients. If a cyberattack occurs, this could lead to a potential lawsuit from clients. Insurers often offer cyber liability coverage as an endorsement to a BOP.

#### Commercial Auto Insurance

[Commercial auto insurance](#) protects your business if you're sued for an auto accident and provides money to repair or replace a vehicle damaged in a collision. Any life coach who uses a car for work should have appropriate commercial auto insurance as most personal auto policies do not cover business-related driving. A commercial auto insurance policy protects you and your vehicle in case of an accident on the job.

Even if you don't have a car, you may want hired and nonowned auto insurance (HNOA). This policy covers liability claims if vehicles your business hires, leases, rents, or borrows cause an accident.

## How Much Does Life Coach Insurance Cost?

Assuming most get BOPs and professional liability, insurance for a life coach costs \$700 to \$3,100 annually. [Business insurance costs](#) are driven by a few factors, including a life coach's operations, equipment value, and whether they own or rent their office space. If you're a sole proprietor, your overall business insurance costs will be less compared to a business with multiple coaches or additional employees that need to be insured with workers' compensation.

### Typical Life Coach Insurance Costs

Policy	Premium Cost (Annually)	Coverage Amount	Deductible
<b>Professional Liability</b>	\$400 to \$1,800	\$1 million per occurrence, \$2 million aggregate	\$1,000
<b>General Liability</b>	\$300 to \$1,300	\$1 million per occurrence, \$2 million aggregate	\$500
<b>Commercial Property</b>	\$500 to \$600	\$20,000, covers equipment only	\$1,500
<b>Cyber Liability</b>	\$500 to \$1,500	\$1 million per occurrence, \$1 million aggregate	\$1,000 to \$5,000

The cost of insurance for life coaches is based on several factors, including risk, location, and claims history. Factors impacting the cost of life coach insurance policies include:

- **Number of employees:** More employees require more insurance because it increases your risk of a lawsuit—and depending on your location, you probably need workers' compensation.
- **Your claims history:** Insurers consider how often you've made claims in the past when they set your premium.
- **The services you provide:** Health and wellness coaching services can increase your premium, but so can other types of coaching like career advice.
- **Your policy terms:** Higher limits increase your premium, but requesting a lower deductible typically lowers it.
- **The value of your property:** A life coach with a large commercial office or practice space with equipment will pay more for commercial property than a life coach that owns a home-based business.

## Tips on Purchasing Life Coach Insurance

When shopping and applying for insurance for life coaches, be prepared with basic information about your business to make the application process easier. As you begin your research and get quotes, keep these tips in mind during your life coach insurance shopping experience.

### Be Prepared to Show Your Skills

When applying for professional liability coverage, the insurer needs to be able to assess the level of risk your life coaching business has. If you have professional credentials and extensive experience—meaning you're less likely to make a mistake, the chances of a lawsuit are reduced, so your policy should cost less. Professional certifications differentiate coaches presenting themselves as experts, and those credentials may also indicate better training, meaning less risk to insurers.

### Obtain Multiple Quotes for Coverage

It's essential to shop around with different providers to obtain life coach insurance. You'll want to find an affordable policy that provides comprehensive coverage addressing all potential losses your business could face. Acquire at least three quotes for different policies, including general liability and professional liability insurance. While price is important, it shouldn't be the only factor you consider, though. You should also make certain that the policy is comprehensive enough to provide adequate protection.

### Understand Occurrence vs Claims-made Coverage

Professional liability policies provide coverage in one of two ways:

- **Occurrence:** This covers you in case of a lawsuit arising from any incident that occurs while you have coverage, regardless of when the claim is made.
- **Claims-made:** This provides coverage only if the incident occurred, and the claim was filed while the policy is in effect.

Say a life coach has a one-year occurrence-based professional liability policy. In that year, she makes an error that costs her client \$40,000, but the mistake is only discovered after the policy has been canceled. Because it's an occurrence policy, her insurer covers the claim even if it's reported five years after the incident. If the life coach had a claims-made policy, the insurer would not pay because the claim wasn't filed before the policy lapsed.

Tail coverage extends the protections of your policy so you can obtain coverage for claims that arise in the future. The cost of a tail policy may be as much as 300 percent of policy premiums, so there's a significant cost to continued protection.

### Bottom Line

Life coaches face the potential for lawsuits from dissatisfied clients. There's also a risk of loss due to an accident that injures others or damages property. Life coaches can minimize and mitigate the risk to their business if something goes wrong by purchasing appropriate coverage to meet their needs like a BOP from a top-rated business insurance provider.

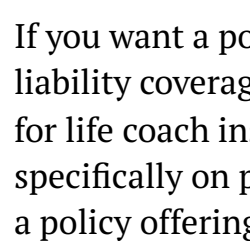
### About the Author



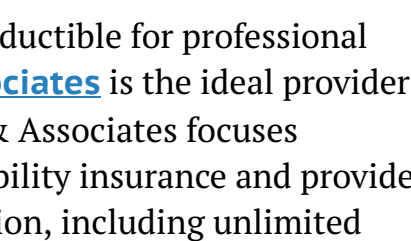
[Jaclyn Moriarty](#)

Jaclyn Moriarty is a writer with our finance team focusing on insurance. Prior to joining Fit Small Business, Jaclyn worked in content marketing for financial services. She holds a Bachelor of Arts degree in journalism and English from Bradley University and has written for a number of finance and insurance companies, including Insurance and Amica.

### Recommended For You



8 Best Business Insurance Brokers 2020



How to Choose a Real Estate Company to Work For

### SUBMIT YOUR COMMENT

You must be logged in to comment. Click a "Log in" button below to connect instantly and comment.

[LOG IN](#)

Company

About Us

How We

Make Money

Editorial

Policy

Press

Inquiries

Careers

Follow Us

Facebook

Twitter

LinkedIn

YouTube

Partners

Partner

Login

Work With Us

Media Kit

Contact Us

355 Lexington Avenue,

18th Floor

New York, NY 10017

✉

info@fit-small-business.com

ACCREDITED BUSINESS

As of 8/12/2020

Click for Profile