

Property Insurance 101: Protecting Your Physical Assets

The gist: Fire, theft, storms—Property insurance helps repair, replace, or rebuild what your business owns.

What It Is

Property insurance covers buildings, equipment, inventory, and other physical assets from covered perils like fire, windstorm, theft, and certain types of water damage.

What It Covers

Coverage Type	What It Protects
Buildings	Owned structures and improvements
Contents	Furniture, machinery, inventory
Business Income	Lost income during covered repairs
Extra Expense	Costs to keep operating after a loss

 **Pro tip:** “Replacement cost” coverage is usually worth it over “actual cash value.”

What’s Changing

- **Climate risks** – Flood, wildfire, and wind coverage becoming pricier and more restricted.
 - **Supply chain impact** – Longer rebuild times affect business interruption claims.
 - **Cyber-physical crossover** – Attacks causing equipment damage are testing coverage boundaries.
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Buying Tips

1. **Know your valuations** – Underinsurance can mean big consequences.

2. **Add business income coverage** – Property alone won't cover lost revenue.
3. **Watch flood/quake exclusions** – Often separate policies.

 Bottom Line

Property coverage is the backbone of physical risk protection—just make sure limits and terms reflect today's costs, not last year's.