

Paul Goebel Group

GRAND RAPIDS BUSINESS JOURNAL INSURANCE & RISK MANAGEMENT

Firm Offers Insurance For Freelance Professionals

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GRBJ REPORTER

GRAND RAPIDS — Pam Patton learned a lesson the hard way when the condo in which she ran her business burned to the ground in a January fire. When she was finally able to retrieve what was left of her personal belongings, she discovered her laptop had been stolen, and her desktop computer was literally frozen. She wasn't able to gain access to her client files for two weeks. Her dilemma was complicated by the fact that she didn't have business insurance or a personal insurance agent to advocate on her behalf.

"There were so many facets to this fire that I never ever considered," Patton said. "I thought I was ahead of the curve simply by having renters insurance, but the business aspect of that fire has made it more difficult to come back."

"I thought I didn't need business insurance because I didn't have inventory."

She won't make the same mistake again. She plans to find an insurance agent and get to know him on a first-name basis. Patton said she'll explain how she uses her home, her car, her business equipment and computers for her freelance work and find out what kind of business insurance she needs.

"I need to find an agent who understands that my needs are different from that of a small business," Patton said. "I

need someone who understands that the office in my home is a real live business — it's not just a hobby."

As a freelancer, Patton is one of more than 20 million Americans who work as sole practitioners and file a Schedule C. According to the Internal Revenue Service, the number of freelancers has jumped nearly 18 percent in the past seven years. They range from retired professionals to young entrepreneurs.

Figuring out how much insurance is needed is a dilemma for freelancers who have never had to purchase commercial insurance, said Meg Goebel, president and owner of the Paul Goebel Group Insurance Agency. For the most part, Goebel said, freelancers are unfamiliar with the types of insurance products and services they should have to protect their livelihood and their families. Her firm is attempting to address that problem with the introduction of its "Freelance Insurance for Success" service. The service provides a set of guidelines that offer freelancers suggestions for commercial and personal insurance products based on such factors as gross earnings, marital status, number of children, spouse's income, whether they rent or own their home, how many cars they operate and the amount of savings they've accrued.

"A lot of people say they'll self-insure, and that has been a common thing we've heard," Goebel said. "They put money in

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a savings account so money will be there if something happens. That's really not a realistic way to handle it."

Jeff Elble, vice president of sales for the Paul Goebel Group, said insurance products for freelancers are similar to those used by any small business, but the difference is that the freelancer is entering the work force as a sole proprietor. Those who previously worked for a company may not know what type of insurance they should have when they strike out on their own, Elble said.

Goebel's company has had a long-term relationship supplying insurance products to members of the State Bar of Michigan and the Michigan Association of CPAs, and a large number of members in those groups are sole proprietors. So her company is basically taking the concept it uses for accountants and lawyers, and tweaking it for freelancers, she said.

Some insurance products are an abso-

lutely necessary from the start; others can be added later if cost is an issue.

"It depends on what they need and what they can afford," Goebel said. "There's no sense in overselling them insurance and getting them to the point where they can't succeed with what they want to do."

Elble said people tend to like the ease of doing business with an agency that is able to write all the lines of insurance in one phone call or visit. The process includes educating the client on various insurance products so he or she can make an educated decision, Goebel added.

"A lot of times the process is simply getting them to talk about how their business is going to be set up or is set up," Elble said. "You have to ask a lot of questions about what they're going to be doing, how they are going to be doing it and where they are going to be working, and then take all that and create a variety of policies that address their needs." BJ