

<b>Shenzhen, China</b> Rooms 1203-06, 12/F. Di Wang Commercial Centre 5002 Shennan Road East Luohu District, Shenzhen T: +86 755 8268 4480	<b>Shanghai, China</b> Room 603, 6/F., Tower B Guangqi Culture Plaza 2899A Xietu Road Xuhui District, Shanghai T: +86 21 6439 4114	<b>Beijing, China</b> Room 303, 3/F. Interchina Commercial Bldg. 33 Dengshikou Street Dongcheng District, Beijing T: +86 10 6210 1890	<b>Taipei, Taiwan</b> Room 303, 3/F. 142 Section 4 Chung Hsiao East Road Daan District, Taipei T: +886 2 2711 1324	<b>Singapore</b> 138 Cecil Street #13-02 Cecil Court Singapore 069538 T: +65 6438 0116	<b>New York, USA</b> 202 Canal Street Suite 303, 3/F. New York NY 10013, USA T: +1 646 850 5888
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## Required Business Insurances in New York State

Insurance is an essential tool of risk management and helps employers reduce the financial burdens of possible losses. The following will introduce three basic insurances in New York State for businesses.

### 1. Business Liability Insurance

Business liability insurance is not mandatory in New York State, but it can protect your business from financial losses resulting from various claims, including bodily injury, property damage, personal injury, advertising injury and others caused by your business operation. And landlords may require you to maintain a certain level of liability coverage as a condition of your lease.

The premiums are typically based on the level of the coverage, the nature of the business, the number of employees, the location of operation, etc.

### 2. Workers' Compensation and Disability Insurance

In New York State, employers are required to obtain and keep in effect workers' compensation and disability benefits coverage for all full-time and part-time employees.

Workers' compensation covers employees for loss of income and medical expenses through job related accidents. The cost of the insurance must be paid entirely by the employer, no amount can be charged to employees. Federal Employer Tax Identification Number (FEIN) is required to obtain a Workers' Compensation and is the primary identification to the NYS Workers Compensation Board.

Disability insurance covers them for loss of income if they become disabled off the job. The Disability Benefits Law provides weekly cash benefits to replace, in part, wages lost due to injuries or illnesses that do not arise out of or in the course of employment. Benefits are paid for a maximum of 26 weeks of disability during 52 consecutive weeks.

Failure to provide the required insurances will subject the employer to penalties by the government according to the noncompliance period and numbers of employees.



*If you wish to obtain more information or assistance, please visit our official website at [www.kaizencpa.com](http://www.kaizencpa.com) or contact us through the following means:*

**T:** +852 2341 1444

**M:** +852 5616 4140, +86 152 1943 4614

**WhatsApp/Line/WeChat:** +852 5616 4140

**Skype:** kaizencpa

**E:** [info@kaizencpa.com](mailto:info@kaizencpa.com)