Business Insurance Requirements & Coverage Overview

Quantum Bank

This document outlines the typical business insurance coverage types and minimum requirements that may be requested by Quantum Bank when establishing or maintaining a business banking or lending relationship. Requirements may vary based on business type, size, risk profile, and products or services used.

Privacy Commitment: Quantum Bank is committed to protecting the confidentiality of your business information. Insurance documentation is used solely for risk management, compliance, and account or credit support purposes, and is handled in accordance with applicable privacy and data protection laws.

1. Purpose of Business Insurance Requirements

- To help mitigate financial and operational risk associated with business activities.
- To ensure businesses maintain appropriate coverage to protect assets, employees, customers, and counterparties.
- To support regulatory, contractual, and underwriting requirements related to banking services or credit facilities.

2. Commonly Required Insurance Types

- General Liability Insurance: Covers bodily injury, property damage, and personal injury claims.
- Commercial Property Insurance: Covers owned or leased buildings, equipment, inventory, and contents.
- Workers’ Compensation Insurance: Required by law in most jurisdictions for businesses with employees.
- Commercial Auto Insurance: Required if vehicles are owned, leased, or used for business purposes.
- Professional Liability / Errors & Omissions (E&O;): Commonly required for professional or advisory services.
- Cyber Liability Insurance: Recommended for businesses that store or process sensitive data or conduct online transactions.

3. Coverage Limits (Typical Guidelines)

- General Liability: Common minimums range from $1,000,000 per occurrence / $2,000,000 aggregate.
- Commercial Property: Coverage equal to the replacement value of insured assets.
- Workers’ Compensation: Statutory limits as required by state law.
- Auto Liability: Common minimums of $1,000,000 combined single limit.
- Professional or Cyber coverage limits may vary based on industry risk and contractual obligations.

4. Certificate of Insurance (COI) Requirements

- A current Certificate of Insurance (COI) may be required as proof of coverage.
- Policies must be issued by a licensed and reputable insurance carrier.
- Quantum Bank may request to be listed as a certificate holder or additional insured, when applicable.
- Coverage must remain in effect for the duration of the banking or lending relationship, as required.

5. Additional Insurance Considerations

• Certain industries may require specialized coverage (e.g., liquor liability, pollution liability, cargo insurance).

• Higher-risk businesses or those with lending exposure may be subject to enhanced insurance requirements.

• Lapses or cancellations in coverage may require immediate notification to Quantum Bank.

6. Review & Ongoing Compliance

• Insurance documentation may be reviewed at account opening and periodically thereafter.

• Updated COIs may be requested annually or upon policy renewal.

• Failure to maintain required coverage may impact account services or credit terms.

7. Secure Submission & Support

• Insurance documents should be submitted via Quantum Bank’s secure upload portal or other approved secure methods.

• For questions regarding insurance requirements, contact your Quantum Bank relationship manager or Business Risk team.