

# Business Insurance

## Business Insurance in a nutshell

A Business Insurance Package, or Biz Pack, is a combination of various types of cover that can be tailored to protect your business for material damage losses suffered from an unexpected event like fire, theft, storm and accidental damage, as well financial loss that results from a material damage claim.

## The low-down

Running a business of any size, shape or form means you're exposed to a wide range of risks that can affect your business' contents, stock and other assets. A Business Insurance Package is designed to offer broad financial protection against such risks.

Depending on the cover options you choose, it can provide cover for your physical assets, including your business premises, contents and stock against fire, storm, vandalism and theft, loss or theft of portable equipment, machinery and electronic breakdown, and loss or theft of money. It can also cover financial loss due to 3rd party injury and property damage, business interruption, tax audits, and breaches of employment practices and other government statutes.

It covers a wide range of occupations and industries, such as professionals, tradespeople, allied health providers, retail and hospitality outlets, and manufacturing.

## Do I really need it?

Your work is important, but equally as important are the things you rely on to do your work. You need them to operate your business, and your business is your livelihood. Without them, where would that leave you standing?

You've worked hard to build your business, so it only makes sense to protect it. Having a comprehensive Business Insurance policy will ensure your business is back up and running as quickly as possible following a major event. It could mean the difference between the future success or failure of your business.

## What is typically covered?

### A Cover for material damage loss of your physical assets, depending on the cover options you choose

✓ Building	covers the cost of repairing or reconstructing your business premises as a result of fire and other perils
✓ Contents	covers your contents and stock against fire and other perils
✓ Glass	covers the cost of replacing internal or external glass that is damaged or broken
✓ Theft	covers loss or damage to contents or stock through theft or attempted theft at your premises
✓ Money	covers money belonging to your business that is lost, stolen or damaged whilst on your premises, in transit or in your personal custody
✓ Portable Equipment	covers loss or damage to portable and valuable property, such as laptops, mobile phones and tools
✓ Machinery Breakdown	covers the cost of repairing broken down machinery, such as boilers, pressure plants, refrigeration systems and air conditioners
✓ Electronic Equipment	covers electronic equipment, such as computers, against accidental loss or damage
✓ Goods in Transit	covers your goods whilst in transit in a vehicle owned or operated by you against theft and loss or damage due to an accident or fire
✓ Employee Dishonesty	covers against losses incurred as a result of fraudulent or dishonest acts by your employees

### B Cover for financial loss, depending on the cover options you choose

✓ Public Liability	covers against claims of 3rd party personal injury or property damage that occurs as a result of your business activities
✓ Business Interruption	covers the loss of income and increased costs of running your business as a result of interruption caused by an insured event
✓ Tax Audit	cover professional fees and other costs to help you manage a tax audit
✓ Employment Practices Liability	covers claims made against you by your employees alleging a wrongful act, such as unfair dismissal, harassment and discrimination
✓ Statutory Liability	covers costs and expenses incurred by an official investigation or inquiry against your business, as well as certain fines and penalties

## What isn't usually covered?

✗	Known claims and circumstances
✗	Intentional damage
✗	Negligence in providing a professional service or advice
✗	Flood damage, unless specifically endorsed on the policy
✗	Electronic data
✗	Loss or damage that occurs after your premises has been unoccupied for more than ninety (90) consecutive days

## Did you know?

- The cost of your Business Insurance premium is determined by many different factors, including your occupation and the industry that you operate in, the size of your business, your annual turnover, the types of risks your business is exposed to, as well as your past claims history. It also depends on the risk appetite of your insurer.
- It is estimated that some 70% of businesses never recover after suffering a major event such as a fire or storm due to not being adequately insured.
- The insurable events that are likely to cause the greatest monetary loss are fire, accidental loss/damage and burglary/theft.
- The average claim size across all small-to-medium size businesses is \$6,764, with Wholesale Trade having the largest average claim size of \$15,314, whilst Personal and Other Services are the smallest at \$2,337. (Insurance Council of Australia, 2015)

## Claim Case Study

A NSW clothing retail business suffered extensive damage after a fire broke out in a neighbouring takeaway shop and spread through the ceiling. All of their stock was damaged due to smoke and asbestos contamination, as well as suffering water damage as a result of extinguishing the fire.

Fortunately, the owners of the clothing store, who were renting the premises, had their contents and stock insured and were able to claim \$75,000 for replacement, as well as \$38,285 for removal of contaminated stock and \$4,110 for asbestos testing.

Had the owners had Business Interruption cover they would have also been able to claim for loss of income whilst the shop was closed for repairs.