



**IOOF**

# INSURANCE BROKERS

## Business insurance at a glance

**Having the right insurance will help protect your business and minimise its exposure to risk. This may include insuring your business, your income and your commercial risk.**

DEPARTMENT OF INNOVATION, INDUSTRY AND SCIENCE, 2018

### What is business insurance?

A business takes years to build – but an accident or disaster could destroy it all in minutes. That’s why businesses should help protect themselves with a quality business insurance pack.

With the right cover in place, owners can run their business with confidence, knowing that their premises, stock, equipment and reputation are protected by insurance.

### Who should consider it?

Business owners can benefit from taking out an affordable and comprehensive business insurance pack to help protect them against the main risks involved in running a business.

Corporate travel insurance also covers your directors and employees, and spouses and dependents travelling with them.

### Did you know?

# \$33b

**The cost of natural disasters to Australian business, government and communities is estimated to reach \$33 billion by 2050.**

(Australian Business Roundtable, The Economic Cost of the Social Impact of Natural Disasters, 2016)

# 24%

**According to Inside Small Business, only 16% of SMEs have a financial back-up plan in place, while 35% said they’d need to cut spending and limit their lifestyle if they were unable to work.**

(Inside Small Business, ‘Seven insurance issues small-business owners should consider in 2017’, 2017)

# 24%

**Sole traders were the least likely of businesses to be insured, (24%), followed by small businesses operating from home (21.4%).**

(ICA, Non-insurance in the Small to Medium Sized Enterprise Sector, 2015)

## What can it cover?

Business insurance packs can offer general protection for a business, which may include cover against:

Type of cover	Potential benefits
Property damage	Repair or replacement of property damaged.
Business interruption	Loss of trading profit following insured damage to property and additional costs and expenses incurred during a claim.
Theft	Repair or replacement of property stolen.
Money	Loss of money.
Public or products liability	Your liability to pay compensation for personal injury and property damage as well as the costs involved in defending a claim triggered by the policy.
Glass	For replacing glass inside or outside your premises, including your shopfront windows, mirrors or display cases.
Transit	For stock that is in transit on the road, in the air or by sea.
Electronic equipment breakdown	For repairing or replacing electronic equipment that breaks down.
Machinery breakdown	Cover for costs associated with machinery breakdown.
General property	To cover your tools of trade, including laptops and tools that you use for your profession or trade.
Tax audit	To cover the costs of being audited by the ATO.
Employee dishonesty	Direct financial loss of the business caused by the dishonest or fraudulent conduct of an employee which is first discovered during the period of insurance.

## What usually isn't covered?

Exclusions, and the excess you need to pay, and limits of liability can vary greatly depending on your insurer and the requirements of your business.

### Case study

Rohan owns a shop in the city. One night a water pipe bursts, flooding the building and damaging his stock. Even worse, the building must be evacuated and renovated to repair all the water damage. This means that Rohan is unable to trade for six weeks.

Rohan's business insurance covers the cost of the renovations. And, because he has business interruption insurance, he receives a payout to cover the income lost while he's unable to trade.

Should you wish to speak with an insurance specialist regarding your needs, please don't hesitate to contact your Insurance Broker directly or contact our team via email at [insurancebrokers@ioof.com.au](mailto:insurancebrokers@ioof.com.au) or phone on **1300 883 149**.