



Insurance Checklist for your **Small Business**





Running a business of any kind involves a certain degree of risk, and even though you need to be prepared to take chances to allow your business to thrive, you don't need to take unnecessary risks and let all of your hard work turn into wasted effort.

Having the right insurance is not only best business practice; it's an essential part of being a responsible business owner. It helps you in maintaining a reputable and sustainable business by protecting you, your employees, and your business assets; and could mean the difference between your business surviving or folding following an unforeseeable event.

However, buying insurance doesn't have to be a complicated and time consuming process, but there's a few steps you need to take to ensure your business is adequately covered.

#1 DEFINE YOUR BUSINESS TYPE AND ACTIVITIES

When taking out business insurance the first thing your insurer will do is ask you for some information about your business, so it's a good idea to be prepared in advance by having a clear understanding of your business and the daily activities it undertakes.

It will also assist you in identifying the types of risks your business is exposed to, which will influence the types and level of insurance cover you require. The information you will need to provide includes, but is not limited to:

- » type of business or occupation; for example electrician hairdresser, accountant etc.
- » contact details, including full business address; phone no. and email
- » ABN of your business;
- » estimated annual revenue;
- » number of people working in your business, including yourself;
- » industry specific questions, for example if you have a beauty salon, are you appropriately qualified for the work you undertake, and do you perform invasive treatments such as laser therapy or hair removal?



#2

IDENTIFY THE RISKS YOUR BUSINESS IS EXPOSED TO

Identify the risks your business is exposed to by thinking about everything that could possibly go wrong – from minor events to worst-case scenarios; how and why it could happen; and who is likely to be affected.

Also think about what you could be held liable for; the things you can't operate without; the assets you want to protect, and then ask yourself some 'what if' questions.

For example, what if:

- » You or your staff made a mistake or were negligent in providing a professional service, or you provided misleading or incorrect advice?
- » A customer, supplier or member of the public was injured due to your business activities?
- » Your premises suffered a natural disaster or fire?
- » Your business was broken into and your contents and stock was stolen?

#3

CHOOSE THE TYPES OF INSURANCE THAT BEST SUIT YOUR BUSINESS

Most businesses need protection against a range of risks, therefore require various types of insurances to cover legal liabilities; property and assets; and finances. However, this doesn't mean you need to get every type of insurance policy that is available, but rather work out which ones are urgent (the 'must have' insurances) and which ones are the 'nice to have' policies.

To help you do this, prioritise your risks by considering the following:

- » the likelihood of the risk occurring;
- » extent of damage the risk could cause;
- » financial impact it would have on your business.

If the likelihood of the risk occurring is low, and the financial impact is low, you may decide to accept the risk and not insure against it if you can afford to manage the financial impact yourself. For example, you may choose not to insure portable valuables such as your mobile phone or laptop if you don't carry them around with you often and you could afford to replace them if they were lost, stolen, or damaged.

However, if the financial impact of a risk occurring is high (regardless of the probability of it occurring), you may want to seriously consider insuring against it. For example, you may feel the probability of a client taking legal action against you for providing misleading or wrongful advice is relatively low, yet the financial implications could be devastating to your business as you would be liable for paying legal and defence costs, as well as compensation to your client if you are found to be negligent.

Also consider if there are any legislative requirements; industry body or membership requirements for your given occupation; as well as requirements under the condition of your lease agreement if you rent a property for your business.

Once you have identified the risks to your business and prioritised them, use the below checklist to help you decide which types of insurance policies are best suited to your business.



#4 COMPARE BUSINESS INSURANCE QUOTES

As with anything you purchase, it's wise to do your research and shop around. By using a comparison site you can compare policies from major insurers side-by-side.

Remember to consider the following:

- » what is covered and what is excluded;
- » limit of indemnity and / or sum insured required;
- » whether you require any specific extensions, i.e. cover for losses that fall outside of the normal conditions of the policy;
- » limits and sub-limits, i.e. monetary limits on specific items or events that are covered;
- » territorial and jurisdictional limits;
- » the excess you will need to pay in the event of making a claim.



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SUCH A SEAMLESS AND EASY TO READ APPLICATION, IT HAS MADE SOMETHING GENERALLY COMPLICATED A TOTAL BREEZE. THANK YOU!

K Taylor, January 2017, Allied Health

TRIED A BROKER, THE QUOTE WAS EXORBITANT AND THE PROCESS ONEROUS. A COLLEAGUE RECOMMENDED BIZCOVER AND HE WAS RIGHT - QUICK, EASY AND COMPETITIVELY PRICED. I SHALL HAPPILY RECOMMEND. MANY THANKS.

A O'halloran, February 2017, Consultancy Occupation

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FANTASTIC TO SEE QUOTES AND COMPARE. VERY HAPPY CUSTOMER.

S Baily, January 2017, Bookkeeping

BUSINESS INSURANCE CHECKLISTS

If you answer 'yes' to any of the questions within each section, you should consider obtaining that type of cover

INSURANCE FOR YOUR LEGAL LIABILITIES

TYPE	DESCRIPTION	QUESTIONS TO ASK YOURSELF	YES/NO
Public Liability	Protects against claims of damages from third party personal injury or property damage that occurs as a result of your business related activities, either at the workplace or at another location. Includes Product Liability.	<ul style="list-style-type: none"> • Do I have customers or clients visiting my business premises, or do I visit them? • Do I require a minimum level of cover for any of the following? <ul style="list-style-type: none"> * trade licence or registration * industry body membership * work contracts * lease or rental agreements 	
Professional Indemnity	Protects against financial losses for any legal action taken against you or your business for negligent acts, errors or omissions made in the provision of professional services or advice that you provide.	<ul style="list-style-type: none"> • Do I provide a professional service or give advice? • Are there any statutory requirements for my profession? • Does the professional body I belong to have set requirements for a minimum level of cover? 	
Management Liability	Protects businesses and business directors (defence and investigation), including their personal assets, against legal costs for allegations of mismanagement, misconduct or legislative breaches.	<ul style="list-style-type: none"> • Am I the owner or managing director of a private company? • Do I employ any staff? • Is my business at risk of being prosecuted by a regulatory authority or breaching legislation, such as the Corporations Act, Occupational Health & Safety Act, or Environmental Protection Act? 	
Cyber Liability	Protection against the expenses and legal costs associated with data breaches, which may occur after being hacked or from theft of client information.	<ul style="list-style-type: none"> • Does my business store sensitive customer data electronically? • Is my business reliant on IT systems to conduct business? 	

* Subject to the policy wording, terms and conditions.

If you answer 'yes' to any of the questions within each section, you should consider obtaining that type of cover

INSURANCE FOR BUSINESS PROPERTY & ASSETS INCL. REVENUE

TYPE	DESCRIPTION	QUESTIONS TO ASK YOURSELF	YES/NO
Contents	Covers the cost of repairing or reconstructing your business premises (that you own) as a result of fire, storm and other perils specified in the policy.	<ul style="list-style-type: none"> • Do I have a business premises with fixtures and fittings; contents such as furniture and equipment; and stock? 	
Building	Covers the cost of repairing or reconstructing your business premises (that you own) as a result of fire, storm and other perils specified in the policy.	<ul style="list-style-type: none"> • Do I own a business premises/ building? 	
Theft	Cover for loss or damage to contents or stock through theft or attempted theft at your premises following forced and violent entry.	<ul style="list-style-type: none"> • If my business was broken into, would damage to my premises or loss of my contents or stock put financial pressure on my business? 	
Statutory Liability	<p>Covers the costs and expenses incurred by official investigations or inquiries against your business as a result of innocent breaches of various Acts of Parliament, such as occupational health & safety laws and environmental laws. Includes the cost of fines and penalties.</p> <p>*Cover can be taken out as an option under a Business Insurance pack as an alternative to a Management Liability policy.</p>	<ul style="list-style-type: none"> • Is my business at risk of breaching any Acts administered by Commonwealth, State or Local Government? 	
Glass	Provides cover for the costs of replacing internal or external glass that is accidentally damaged or broken, including windows, mirrors or porcelain.	<ul style="list-style-type: none"> • Would the cost of replacing internal or external glass, mirrors or porcelain put financial pressure on my business? • Does my lease or rental agreement require this cover? 	
Electronic Equipment	Covers your insured computers or other insured electronic equipment against loss, damage or breakdown caused by an event defined under your policy.	<ul style="list-style-type: none"> • Is my business reliant on computers or other important electronic equipment to operate? 	

If you answer 'yes' to any of the questions within each section, you should consider obtaining that type of cover

INSURANCE FOR BUSINESS PROPERTY & ASSETS INCL. REVENUE

TYPE	DESCRIPTION	QUESTIONS TO ASK YOURSELF	YES/NO
Machinery Breakdown	Covers the cost of repairing or replacing insured machinery following breakdown. Includes electronic or mechanical machinery and equipment, such as boilers, pressure plants, refrigerators and air conditioners.	<ul style="list-style-type: none"> • Is my business reliant on important and expensive machinery to operate? 	
Transit	For goods (or goods you are responsible for) whilst in transit in a vehicle owned by or operated by your business, against loss, theft or damage due to an accident or fire.	<ul style="list-style-type: none"> • Do I transport valuable goods in a vehicle owned or operated by my business? 	
Tax Audit	Provides cover for expenses (excluding fines) that may be incurred in connection with an audit by the ATO. Includes the cost of hiring professionals such as accountants, bookkeepers, lawyers and other advisers such as actuaries and valuers.	<ul style="list-style-type: none"> • Would the cost of hiring professional advisers put financial pressure on my business if it was audited by the ATO? 	
Employee Dishonesty	Covers your business against financial loss incurred through fraudulent or dishonest acts by employees. Includes cover for money, inventory and equipment.	<ul style="list-style-type: none"> • Do any of my employees have access to money, securities, inventory and equipment that my business owns? 	
Employment Practices Liability	<p>Provides protection from the financial cost of employment related claims made by your employees, including allegations of unfair dismissal, defamation, bullying and harassment, discrimination, and sexual harassment.</p> <p>*Cover can be taken out as an option under a Business Insurance pack as an alternative to a Management Liability policy.</p>	<ul style="list-style-type: none"> • Does my business employ people other than myself? 	

* Subject to the policy wording, terms and conditions.

If you answer 'yes' to any of the questions within each section, you should consider obtaining that type of cover

CONT.	TYPE	DESCRIPTION	QUESTIONS TO ASK YOURSELF	YES/NO
	Money	Covers money belonging to your business that is lost, stolen or damaged whilst on your premises, in transit to or from your premises, or in your personal custody.	<ul style="list-style-type: none"> • Does my business hold large sums of money on-site, or do I transport money to and from my business premises? 	
General Property	Covers loss or damage to portable & valuable items, up to a specified limit, that you carry around with you during the course of your business (within Australia), such as tools of trade, mobile phones and laptops.	<ul style="list-style-type: none"> • Do I carry portable/valuable items around with me that belong to my business? • Would the replacement of such items put financial pressure on my business? 		

If you answer 'yes' to any of the questions within each section, you should consider obtaining that type of cover

INSURANCE FOR YOUR FINANCES	TYPE	DESCRIPTION	QUESTIONS TO ASK YOURSELF	YES/NO
	Business Interruption	<p>Helps you recover financially by covering lost revenue or income if your business is interrupted due to an insured event, including fire, storm and theft.</p> <p>It also covers the increased costs of running your business due to the same event, such as relocating to a temporary premise.</p>	<ul style="list-style-type: none"> • Would my business be adversely affected financially in the event it had to temporarily close or relocate due to an unforeseeable event? 	
Personal Accident	Essential protection for you and your family against the financial costs as the result of you suffering an accident or defined illness by covering up to 85% of your income if you are temporarily unable to work. Includes the option of, either you or your beneficiaries, receiving a lump sum payment in the event of permanent disablement or death.	<ul style="list-style-type: none"> • Would the result of being off work due to an illness or accident have a detrimental effect on my financial state? 		

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About BizCover

We've made business insurance hassle free.

At BizCover we're committed to giving small business a fair go by helping them get the right insurance for their business, at the right price, and without any hassles.

We've done the hard yards of shopping around for you, so you can compare multiple policies from Australia's top insurers instantly online. There's no complex forms or paperwork to complete, and once you've compared policies you can buy online and your policy documents will be emailed to you instantly. What you see is what you pay, with no hidden costs. No policy is too small for us and we'll go the extra mile for everyone. We'll be there when you need us.

When it comes time to claim on your policy, we'll be there to make the process as painless as possible. Our team will manage the process for you, so while you get on with running your business we'll chase the insurer and keep you updated as to its progress.



You can get multiple quotes and buy online 24 hours per day, 7 days per week.

If you prefer to speak to us the old-fashioned way, our Sydney based contact centre is open Monday - Friday 8.30am - 6.30pm.

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