

PROTECT YOUR BUSINESS THROUGH COVID WITH ADEQUATE INSURANCE



INSURANCE COVERS TO CONSIDER:

Property insurance

Covers all business property against events which may cause damage to the business property. This is extremely important as it covers your main assets and is a must for any business.

Business interruption

Covers your loss of profits and income following damage to the business. It is an important cover as it could be the difference between you getting back into business and not having a business at all.

Burglary

A burglary can result in damage to the business property as well as property stolen. If insuring for high limits, make sure you have adequate physical security such as deadlocks, alarms and window protection.

Money

Money can be insured while it's on the business premise, while staff are taking it to or from the bank, while in the safe overnight, or if you take it home with you for next business day banking.

Glass

The cost of glass replacement is costly and in most cases is a condition of a lease agreement for most tenants.

Machinery breakdown

Covers sudden and unforeseen loss to your plant and machinery. It also covers stock while contained in cold storage.

Electronic equipment

Covers unforeseen or sudden loss to mechanical and electrical equipment, and data restoration costs. Items to consider insuring include notebooks, point of sale and security equipment.

Goods in transit & marine cargo

If your business involves importing goods from overseas or transporting goods nationally, you may wish to consider insuring your property against potential damage whilst in transit.

Liability

Covers amounts you may have to pay for personal injury and property damage to third parties in connection with your business. A liability incident may result from a simple trip and fall at your premise or an incident from a product you sell. You cannot be in business without this cover.

General property

Covers tools or electronic equipment that is mobile with you away from the business premise. Most insurers will provide cover to specifically insure the items you want or, where feasible, have a blanket cover with a maximum limit for any one loss.

Management Liability

Management Liability insurance covers the costs of defending directors, managers and employees against any claims that are the result of their actions or decisions.

Cyber insurance

Covers your business from computer hacking or data breach and reduces the financial impact on a business from cyberattacks.

shopinsurance.com.au is a specialist insurance broking business that handles the insurance needs of franchisors and franchisees with tailor-made, low-cost business insurance products, services, and advice.

Business Franchise spoke with shopinsurance.com.au Director Fred Nadde about how COVID-19 has impacted business.

Fred Nadde: "Many of the franchise businesses we support operate within shopping centres or the hospitality industry

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around Australia. COVID-19 has had a crippling effect, particularly on those located in Victoria. With stage 4 restrictions in metropolitan Melbourne, these businesses have been closed or operating a reduced service for months.

"Whilst a significant number of businesses have Business Interruption cover, unfortunately, insurers do not cover pandemics as defined under section 42 of The Bio-Security Act of 2015 and business owners could not get relief through insurers.

"However, some insurers in the industry have not updated their Product Disclosure Statements to reflect The Biosecurity Act of 2015 and have relied on the earlier Australian Quarantine Act 1908 for quarantinable diseases exclusion. This has resulted in a number of challenges and a test case is currently before the Supreme Court of NSW to firstly determine whether on their proper construction, the words 'declared to be quarantinable diseases under the Quarantine Act 1908' appearing in the insured Product Disclosure Statement should be read as

'which are listed human diseases under the Biosecurity Act 2015' (HDI Global Specialty SE v Wonkana No 3 Pty Limited trading as Austin Tourist Park)."

Has the insurance industry made a committed effort to assist customers?

FN: "Many insurers have responded by supporting personal and small business clients. You should speak with your broker about what assistance is being provided about your own situation. The assistance to date has included:

- lay-up cover discounts for motor vehicles (vehicle not being used as often)
- small business grants
- extended credit terms up to 180 days on some policies

- percentage discounts on some insurance classes of business such as home insurance.

"As a brokerage, we have exclusively been able to secure discounts from our insurance supplier for many franchise businesses currently operating in shopping centres where their business is currently closed, or their revenue is severely impacted."

What Business Insurance should we consider especially in the current business climate?

FN: As an absolute minimum, I strongly recommend all business owners should have Property and Liability cover as minimum.

"The importance and level of all other covers will vary from industry to industry and are forever changing, hence, it is important to have someone on your side who is aware of market trends and can give you professional advice.

"For example, a Boost Juice franchisee will have different requirements to a Just Cuts Hair Salon. And cyber risks were hardly

mentioned in the media 10 years ago, but these days the number of cyberattacks and cyber risk has increased dramatically."

How is shopinsurance.com.au operating during the COVID restrictions?

FN: Consistent with Victorian State Government directions, we are providing our customers with insurance and risk management services remotely using phone, email, and a range of online web conferencing platforms such as Zoom and Microsoft teams.

Our insurers are still providing repairs in Victoria for businesses who are unfortunate to have claim incidents, and tradespeople are still able to attend sites to make safe.

If we can assist you please call us on our national number 1300 123 300 or email us via our website www.shopinsurance.com.au.

Fred Nadde is a Director of Steadfast Eastern Insurance Brokers and Shopinsurance.com.au