



Fact sheet

Business Insurance

November 2019

Business Insurance in a nutshell

Business Insurance* (also known as BizPack) is an insurance package designed to provide cover for your business contents, stock, tools and commercial premises when an insured event occurs (such as fire, storm, theft or even accidental damage).

The low-down

Running a business of any size, shape or form means you can be exposed to a wide range of risks that may affect your business' contents, stock and other assets.

A **Business Insurance** package can also cover your portable equipment, glass and for loss of revenue due to business interruption in specified circumstances. It can provide cover for 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?

You've worked hard to build your business so it only makes sense to protect it. Having a comprehensive **Business Insurance** policy will provide your business with back up after an insured event. It could mean the difference between the future success or failure of your business.

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.
- Nearly one in four small business owners admit they're likely to go out of business if someone makes a liability claim against them¹
- When it comes to the top 5 impacts of a liability claim, 27% of SME's say it could put them out of business, 33% don't know, 30% lose revenue, 29% lose clients, 21% lose cash flow²

¹ QBE, 2019, SME's and Insurance, A pulse check on risk trends for businesses.

² QBE, 2019, SME's and Insurance, A pulse check on risk trends for businesses.

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What is typically covered?*

A) Material damage – loss of your physical assets

✓	Building – Cover for loss and damage to buildings you own, as a result of an insured event (such as fire, storm, wind).
✓	Contents – Cover for loss of or damage to items such as business equipment, stock, plant and machinery, records and furniture belonging to you at the insured location
✓	Glass – Cover for the damage to the glass, both internal and external, and signage at the insured business location.
✓	Theft – Covers you against loss and damage as a result of theft or attempted theft from your business premises. Damage to the building, locks and safes as a result of a covered event will also be covered.
✓	Money – Money insurance protects your business money (which will include not only cash and cheques, but also items such as lottery tickets, gift cards, postal orders and stamps) from loss or damage whilst on your premises or in transit.
✓	Portable Equipment – Portable equipment (or general property) insurance can cover specified items such as tools, business equipment or electronic items, or unspecified items of lower value
✓	Machinery Breakdown – Machinery breakdown insurance covers the cost to repair or replace specified machinery following a breakdown.
✓	Electronic Equipment – Covers your business against loss caused by accidental and unforeseen damage, breakdown of electronic equipment, which can include computers and printers.
✓	Goods in Transit – Goods in Transit covers (subject to a specified limit) loss or damage to goods owned by you which are damaged in transit by road in Australia and caused by insured events such as collision, fire, flood or theft by forcible entry.
✓	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 – This covers legal fees and compensation costs if a customer, member of the public, or a supplier claims against you for injury or damage to their property as a result of your alleged negligent business activity.
✓	Business Interruption – Business interruption provides cover for the loss of income and increased costs of operating your business caused by a specified insured event (such as property damage or fire). It's designed to assist your business to recover from an insured event by paying ongoing expenses (such as wages or rent).
✓	Tax Audit – If your accounts are audited by the Australian Tax Office, you may need to hire external accountants to assist in the process. Tax Audit Insurance covers a business for specified costs in responding to an official tax audit.
✓	Employment Practices Liability – Employment Practices Liability insurance is designed to cover a company from claims made by employees in relation to their employment conditions or breaches of employment laws. This can include claims arising from unfair dismissal or discrimination.
✓	Statutory Liability – Statutory Liability insurance protects you, your business and your employees against certain unintentional breaches of some Australian laws. It also covers the costs of representation related to investigation costs for alleged breaches, as well as defence costs, and fines or penalties payable following a conviction.

What is typically not covered?*

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

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, asbestos contamination and water damage caused in an attempt to extinguishing the fire. Fortunately, the clothing store had contents and stock insurance which responded to the fire. The owners were able to claim \$75,000 for replacement stock, \$38,285 for removal of contaminated stock and \$4,110 for asbestos testing.

*As with any insurance, cover will be subject to the terms, conditions and exclusions contained in the policy wording. The information contained on this web page is general only and should not be relied upon as advice.

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