

Small Business Insurance Guide

Small business owners need to rely on expert advice such as an accountant to handle your financials and taxation, or a solicitor for your legal affairs.

So it makes sense to use the services of a licensed **insurance broker** to advise on business risks, which could disrupt or threaten your business' continuity.

All small businesses are exposed to business risk. But the type and degree of risk each business faces is unique.

This Small Business Insurance Finder has been developed as a guide only to assist small business owners to better understand insurance as it applies to their particular industry and business.

STEP 1

On the following pages identify an industry category that best represents your business and areas of operation. If you cannot find a close match, please do not hesitate to contact one of Donnellys friendly team members to assist you individually.

STEP 2

Visit the FINAL page of this document to better understand items to consider for each particular kind of insurance (eg. *Fire & Defined Events*)

STEP 3

We encourage you to then speak to one of our knowledgeable team members at Donnellys to explore the best specific options for your business and to receive an obligation free quotation for your planning purposes.

DISCLAIMER

You should not act on the basis of any information included in the Insurance Finder without obtaining professional advice as it is intended as General Advice only. The information included in the Insurance Finder is not comprehensive, provides only a summary of the subject matter covered and is not tailored specifically to your business. You should make your own assessment of it and rely on it wholly at your own risk. You should refer to the Product Disclosure Statement for any particular product for full details of the coverage provided.

INSURANCE AUDIT

Following this Insurance finder document you will find Donnellys Insurance Audit which contains a more expansive general range of optional insurance covers that might be applicable to your particular circumstances. Speak to us about any of these products if they are of interest to you.

Accommodation

• **Bed & Breakfast • Boarding House • Hotels • Motels • Caravan Parks • Guest Houses**

✓ Fire & Defined Events	Essential
✓ Business Interruption	Essential
✓ Burglary	Recommended
✓ Money	Recommended
✓ Glass	Recommended
✓ General Property	Optional
✓ Electronic Equipment	Optional
✓ Machinery Breakdown	Recommended
✓ Fidelity Guarantee	Optional
✓ Public & Products Liability	Essential
✓ Professional Indemnity	Not Applicable
✓ Personal Accident/Sickness	Optional
✓ Worker's Compensation	Compulsory if you employ staff

Automotive Industry – After Sales

• **Auto Electric Repair Shop • Auto Wreckers • Tyre Retailer • Panel Beater**
• **Service Station (with or without repairs) • Mechanic's Workshop • Panel Beater**

✓ Fire & Defined Events	Essential
✓ Business Interruption	Essential
✓ Burglary	Recommended
✓ Money	Recommended
✓ Glass	Recommended
✓ General Property	Optional
✓ Electronic Equipment	Optional
✓ Machinery Breakdown	Optional
✓ Fidelity Guarantee	Optional
✓ Public & Products Liability	Essential
✓ Professional Indemnity	Recommended if advice provided
✓ Personal Accident/Sickness	Optional
✓ Worker's Compensation	Compulsory if you employ staff

Clothing and Footwear Industries

• **Shoe Manufacturers • Clothing Manufacturers • Dressmakers • Dry Cleaners**

✓ Fire & Defined Events	Essential
✓ Business Interruption	Essential
✓ Burglary	Recommended
✓ Money	Recommended
✓ Glass	Recommended
✓ General Property	Optional
✓ Electronic Equipment	Optional
✓ Machinery Breakdown	Recommended
✓ Fidelity Guarantee	Optional
✓ Public & Products Liability	Essential
✓ Professional Indemnity	Not Applicable
✓ Personal Accident/Sickness	Optional
✓ Worker's Compensation	Compulsory if you employ staff

Contractors and Tradesmen

- Bricklayers • Builders • Carpenters • Carpet Layers • Cleaners (*internal & external*)
- Concreters • Electricians • Gardeners • Painters • Plumbers • Tilers

✓ Fire & Defined Events	Optional – if you occupy premises
✓ Business Interruption	Optional – if you occupy premises
✓ Burglary	Optional – if you occupy premises
✓ Money	Not Required - if you do not occupy premises
✓ Glass	Not Required - if you do not occupy premises
✓ General Property	Recommended for Tools
✓ Electronic Equipment	Not Required
✓ Machinery Breakdown	Not Required
✓ Fidelity Guarantee	Optional
✓ Public & Products Liability	Essential
✓ Professional Indemnity	Not applicable – unless providing design
✓ Personal Accident/Sickness	Recommended to protect loss of income
✓ Worker's Compensation	Compulsory if you employ staff

Engineering and Manufacturing Industries

- Airconditioning & Refrigeration Manufacturers • Electrical Equipment Manufacturers
- Foundries • Metal Fabrication Factories • Sheet Metal Factories

✓ Fire & Defined Events	Essential
✓ Business Interruption	Essential
✓ Burglary	Recommended
✓ Money	Recommended
✓ Glass	Recommended
✓ General Property	Optional
✓ Electronic Equipment	Optional
✓ Machinery Breakdown	Recommended
✓ Fidelity Guarantee	Optional
✓ Public & Products Liability	Essential
✓ Professional Indemnity	Not applicable
✓ Personal Accident/Sickness	Optional
✓ Worker's Compensation	Compulsory if you employ staff

Food • Drink & Tobacco Industries

- Bakeries • Confectionery Manufacturers • Fruiterers – Wholesale
- Icecream Manufacturers • Smallgoods Factories • Tobacco Factory • Wine Makers

✓ Fire & Defined Events	Essential
✓ Business Interruption	Essential
✓ Burglary	Recommended
✓ Money	Recommended
✓ Glass	Recommended
✓ General Property	Optional
✓ Electronic Equipment	Optional
✓ Machinery Breakdown	Recommended
✓ Fidelity Guarantee	Optional
✓ Public & Products Liability	Essential
✓ Professional Indemnity	Not applicable
✓ Personal Accident/Sickness	Optional
✓ Worker's Compensation	Compulsory if you employ staff

Health Facilities

- Doctor's Surgery • Dentist's Surgery • Medical Rooms • Nursing Homes • Orthodontist
- Radiologist • Veterinarian's Surgery

✓ Fire & Defined Events	Essential
✓ Business Interruption	Essential
✓ Burglary	Recommended
✓ Money	Recommended
✓ Glass	Recommended
✓ General Property	Optional
✓ Electronic Equipment	Recommended
✓ Machinery Breakdown	Optional
✓ Fidelity Guarantee	Optional
✓ Public & Products Liability	Essential
✓ Professional Indemnity	Essential
✓ Personal Accident/Sickness	Optional
✓ Worker's Compensation	Compulsory if you employ staff

Institutional

- Art Galleries • Churches • Halls • Museums • Schools

✓ Fire & Defined Events	Essential
✓ Business Interruption	Essential
✓ Burglary	Recommended
✓ Money	Recommended
✓ Glass	Recommended
✓ General Property	Optional
✓ Electronic Equipment	Optional
✓ Machinery Breakdown	Optional
✓ Fidelity Guarantee	Optional
✓ Public & Products Liability	Essential
✓ Professional Indemnity	Not applicable
✓ Personal Accident/Sickness	Optional
✓ Worker's Compensation	Compulsory if you employ staff

Office Buildings

- Accountant's Office • Architect's Office • Banks • Consulting Engineer's Office
- Brokers • Real Estate Agents • Solicitor's Office • Travel Agent's Office

✓ Fire & Defined Events	Essential
✓ Business Interruption	Essential
✓ Burglary	Recommended
✓ Money	Recommended
✓ Glass	Recommended
✓ General Property	Optional
✓ Electronic Equipment	Recommended
✓ Machinery Breakdown	Optional
✓ Fidelity Guarantee	Optional
✓ Public & Products Liability	Essential
✓ Professional Indemnity	Essential
✓ Personal Accident/Sickness	Optional
✓ Worker's Compensation	Compulsory if you employ staff

Restaurants • Take-Away and Cafes

- Cafes • Coffee Shops • Fish & Chip Shops • Milk Bars • Pizza Parlours • Restaurants
- Take Away Foods (*with or without deep frying*)

✓ Fire & Defined Events	Essential
✓ Business Interruption	Essential
✓ Burglary	Recommended
✓ Money	Recommended
✓ Glass	Recommended
✓ General Property	Optional
✓ Electronic Equipment	Optional
✓ Machinery Breakdown	Recommended
✓ Fidelity Guarantee	Optional
✓ Public & Products Liability	Essential
✓ Professional Indemnity	Not applicable
✓ Personal Accident/Sickness	Optional
✓ Worker's Compensation	Compulsory if you employ staff

Retail Trading

- Arcades • Beauticians • Electrical Goods • Hairdressers • Jewellers • Florist Shops
- Greengrocers • Furniture Stores • Hardware Stores • Liquor Shops • Newsagencies
- Supermarkets • Video Stores

✓ Fire & Defined Events	Essential
✓ Business Interruption	Essential
✓ Burglary	Recommended
✓ Money	Recommended
✓ Glass	Recommended
✓ General Property	Recommended
✓ Electronic Equipment	Optional
✓ Machinery Breakdown	Optional
✓ Fidelity Guarantee	Optional
✓ Public & Products Liability	Essential
✓ Professional Indemnity	Essential – if providing treatment
✓ Personal Accident/Sickness	Optional
✓ Worker's Compensation	Compulsory if you employ staff

Timber and Woodworking Industries

- Cabinet Makers • Furniture Manufacturers • Sawmills • Joineries

✓ Fire & Defined Events	Essential
✓ Business Interruption	Essential
✓ Burglary	Recommended
✓ Money	Recommended
✓ Glass	Recommended
✓ General Property	Optional
✓ Electronic Equipment	Optional
✓ Machinery Breakdown	Recommended
✓ Fidelity Guarantee	Optional
✓ Public & Products Liability	Essential
✓ Professional Indemnity	Not applicable
✓ Personal Accident/Sickness	Optional
✓ Worker's Compensation	Compulsory if you employ staff

Summary of Cover

Fire & Defined Events

Covers assets (e.g. *building, contents, machinery*) against loss or damage caused by fire and defined events (e.g. *water damage, storm damage, malicious damage*). Flood cover generally not included.

Business Interruption

Provides cover for loss of income, payroll and an increase in costs following a reduction in turnover or revenue caused by fire damage.

Burglary

Cover is provided for loss or damage following forcible entry to premises.

Money

Cover is for the loss of money or negotiable instruments.

Glass

Where glass is accidentally broken, cover is provided for the cost of replacing or fixing the glass.

General Property

Provides cover for the cost of repairing or replacing specified items that are accidentally lost or damaged. (e.g. *cameras, mobile phones, tools*)

Electronic Equipment

Provides cover for electrical, electronic and mechanical items (e.g. *computers, faxes, printers, photocopiers*) following loss or damage.

Machinery Breakdown

Covers loss or damage to machinery as a result of breakdown. Spoilage of food following such a breakdown can also be covered.

Fidelity Guarantee

Covers losses sustained as a result of an act of fraud or dishonesty by employees.

Public & Products Liability

Covers legal liability for injury to members of the public and damage to property arising from the business activities. Products liability covers liability for the distribution and/or sale or supply of products and services.

Professional Indemnity

Covers liability for claims arising from breach of professional duty by reason of any negligent act, error or omission committed on the part of any person employed in the conduct of the business activities

Personal Accident / Sickness

Provides cover following the accidental injury or illness of an insured person.

Worker's Compensation

A compulsory scheme for employers to cover employees injured in the course of their employment.

INSURANCE AUDIT REVIEW

It is our responsibility as Insurance Broker to make clients aware of the risks that may impact their Business through a loss of assets or through a legal liability to other parties incurred in their Business activities.

This summary list of policies available is not exhaustive and is meant as a guide only. Please review this Audit list so you can make an informed decision about what policies might have application to your business and contact us to discuss for a more in depth review of your insurance requirements.

GENERAL COMMENTS

Leased Premises

If you are a tenant of leased premises, you should check your lease contract whether you are required to maintain cover for internal and external Glass breakage and signs and also importantly the lessor's Public Liability limit of indemnity that you are required to have under the contract. The lessor may also require their name included in your policy.

Contractual Liability Agreements

Public Liability policies in Australia exclude cover for any Contractual Liability assumed by a policyholder under a contract or agreement except where that liability would apply by law in the absence of such contract or agreement; or other limited circumstances.

Accordingly, you should not enter into any contract or agreement without prior legal advice to confirm if you are agreeing to accept additional liability which may not be covered by your policy. If you do need Contractual Liability coverage for a particular contract, we can try to arrange cover for you after receipt of your legal adviser's opinion.

Labour Hire Employees / Apprentices

If you hire employees from a labour hire company or apprentices through a group training authority, you should be aware of the insurance consequences of these contracts.

If a labour hire employee or apprentice is injured while working on your behalf and you are deemed negligent to any degree as the Host Employer, WorkCover has the right to take action against you for recovery of their costs. Legislation may vary in each state in this regard.

Insurance Companies charge extra for Host Employer liability coverage and also impose a substantial excess as they are in effect covering you for Workers Common Law Liability. You need to inform us if you do or intend to engage labour hire employees or apprentices so that we can arrange for your policy to be extended to cover this risk.

INSURANCE OPTIONS SUMMARY

Business Interruption

You would be acutely aware how important Cash Flow is to the survival of a business, particularly in a tough business climate and restricted credit availability from Banks.

Business Interruption insurance protects your business cash flow in the event of a major insured event such as a fire, explosion or water damage, by covering any continuing business costs including rent, wages and finance payments while you suffer a turnover reduction as a direct result of that insured event.

Additional Increased Cost of Working cover is recommended for all businesses operating out of premises to provide funds for the additional costs such as setting up alternative premises, increased advertising to maintain your market, temporary plant and equipment hire costs.

Public/Products Liability

This is essential coverage for any Business. It is required to protect against third party bodily injury or property damage claims.

General Property

This policy section is recommended to cover accidental loss, damage or theft of equipment that is temporarily removed from your business premises from time to time such as: laptops, mobile phones, equipment or tools. Without this cover option, your business Contents are covered against the listed insured events and only at your business premises.

Money

This can cover money on premises during business hours, out of hours & in transit to a bank or residence.

Corporate Travel

Covers automatically all insured persons when engaged on authorised business travel anywhere in the world for a comprehensive range of benefits.

Management Liability for Companies

Covers directors and officers of a company against claims made against them personally by reason of any wrongful act in their capacity as directors or officers of the company.

Electronic Equipment

Covers accidental damage to electronic equipment and its breakdown.

Employee Fraud (Fidelity)

Covers theft or misappropriation of money or property by an employee - individual or blanket cover for all employees is available.

Employers Practices Liability

Covers the business enterprise against claims and litigation over allegations arising in the work place such as: sexual harassment, discrimination, unfair dismissal, wrongful termination of employment, defamation, hiring / firing, victimisation.

Fire and Extended Perils (Accidental Damage)

Covers any accidental physical damage to the property insured subject to a defined list of exclusions and limitations in the policy - rather than a defined list of covered perils in the Fire and Specified Perils policy. This broad cover automatically includes accidental damage cover up to the sum insured on the property - rather than a limited value cover extension available under the Fire and Specified Perils policy.

Goods in Cold Storage

Covers deterioration or putrefaction of goods in cold storage which are cooled by refrigeration resulting from the change of temperature caused by an insurable event or contamination of the goods directly caused by sudden leakage of refrigerant.

Machinery Breakdown

Covers insured plant that is damaged which is not covered by a maintenance contract but excludes wear and tear, maintenance costs, expendable / fragile / heavy wear items.

Marine Cargo

Covers loss or damage to goods in transit including loading and unloading risks.

Personal Accident & Sickness

Covers key employees' salaries for extended leave beyond their sick leave bank due to a serious disability.

Tax Audit Contingency

Covers professional fees incurred in consequence of a random audit by the Taxation Authority.

Professional Indemnity

Professional Indemnity insurance covers claims that arise when a third party, usually a client, alleges that the provider of professional advice, design or service was negligent and caused them loss. The loss can be bodily injury, property damage or financial loss. Many businesses assume that public liability insurance will cover them. Unfortunately this is not the case. Public liability insurance does not cover claims caused by professional negligence.

Credit Insurance

Credit insurance is the way to insure your success by protecting against customer insolvency and payment default. If your customers have trouble paying, your Credit insurer will pay you which means your profits are protected, your cash flow is improved and allows your business to prosper instead of chasing bad debts which affects your business momentum.



(08) 8236 7789

Level 1
136-144 Frome Street
Adelaide SA 5000

www.donnelys.com.au
insure@donnelys.com.au

DONNELLYS FINANCIAL SERVICES

Donnelly Financial Services Pty Ltd is a Corporate Authorised Representative of Millennium3 Financial Services Pty Ltd ... AFS Licence: 244252

Our responsibility to advise clients about their financial risk exposures extends to Life Risk products as well as general insurance products. We can provide an obligation-free review of your current arrangements for the products below to ensure all your business risks have been analysed thoroughly for your protection.

Income Protection - Provides an insured person up to 75% of their pre disability earnings, with benefit payment periods of 2 & 5 years or to age 65 and is available on an Individual or Group basis.

Life Insurance - Pays lump sum benefit in the event of the insured's death or terminal illness (within time frame defined by the policy) to cover any business loans.

Key Man - Provides funds to cover business risk suffered in the event of the death or disability of a key person to the business.

Business Insurance - Provides capital to purchase another partner's interest in the business should he/she die or become permanently disabled.

Trauma - Pays lump sum benefit in the event of the insured person suffering one of a number of specified traumas as defined by the policy these include but are not limited to Heart Attack, Stroke, Malignant Cancer.

Superannuation

Review your current arrangements to ensure your Fund's investments are performing and Life insurance coverage is competitive.