

# Insurance

It is good business management to protect the assets of your business (including the owner) against unforeseen events. This protection usually comes in the form of insurance.

An insurance policy may be broadly defined as a contract under which the insurer agrees, in return for a premium, to indemnify the insured for loss suffered as a result of the occurrence of specified events which cause the destruction, loss or injury of something in which the insured has an interest.

Here is a list of some of the types of business insurance available.

## Building

Generally only required if you own the premises in which your business is located.

*NOTE: It is common for a tenant to be required to insure plate glass against breakage in leased premises.*

If you are conducting a business from your home, the insurer of your home should be notified so that the policy can be noted and the premium adjusted if necessary.

## Contents

This should cover all plant, equipment, fixtures and fittings as well as business stock.

## Cash

It is possible to insure against theft of cash held on the business premises, in transit or held at home.

## Loss of profit

If your business is unable to trade, due to the occurrence of an insurable event, this cover can provide for loss of profits incurred during the period of non-trading. Of course you will have to provide evidence of actual profits lost.

## Public liability

Provides insurance cover against accidental injury to clients, customers and visitors to your business premises.

This cover is considered essential to all businesses and cover of up to \$5M is normal for a small retail operation.

## Product liability

This indemnifies the manufacturer and/or distributor against injury caused by their product, or the use of their product.

## Professional indemnity

Provides insurance protection against negligence for professionals and experts delivering services, advice and information to clients.

## Motor vehicle

Vehicles owned and used by the business should be insured, as would your own personal vehicles. If you are using your personal vehicle in the business, the insurer should be notified so that the policy can be noted.

## Key person

It is common in small business for the successful operation of the business to hinge on the well being of one person. Insurance cover can be taken against loss of income, in the event of injury, disability or death to the key person.

## Workers' compensation

Accident and sickness insurance cover must be provided for employees through an approved insurer. Self-employed persons provide accident and sickness insurance through a private insurer.

## Superannuation

It is important for all people to provide for their retirement years, including business owners. Superannuation is generally the vehicle used to provide for a retirement plan.

For detailed advice and information on the type and cost of insurance to best suit your business, you should consult reputable insurance agents or brokers. Alternatively, speak to your Industry Association for referrals to an agent who can provide the right insurance.

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