

June 26, 2012

End of financial year is an ideal time to review small business insurance

As the fiscal year draws to a close, small business owners are reminded to check their insurance policies are up to date.

Insurance Council of Australia CEO Rob Whelan said the end of the financial year on June 30 provided the owners of small or medium enterprises (SMEs) with the perfect opportunity to make sure their insurance policies were still relevant.

“This is the ideal time for SME owners to review their assets and their specific risks, assess the current value of their operations and if necessary update or even change their insurance policies,” Mr Whelan said.

“This time of year can be hectic for small business owners, but while they are preparing their statements it is the perfect opportunity to look at how their business may have grown or changed during the past 12 months.

“Owners should ask themselves: Have I bought any new vehicles, have I purchased new office equipment or machinery, do I have more stock, what would happen if my business was interrupted by events outside my control?

“Business owners should be asking themselves these questions and more. If you have expanded, it’s important to make sure your insurance policy expands too, to reflect your business’s growth and protect your assets.

“Investing time now to review your circumstances could have huge benefits in the year ahead and provide financial protection from unforeseen circumstances, such as fire, theft, accidental damage, equipment breakdown, property damage, public liability and more.”

End of financial year insurance checklist

- 1. Are your business inventory and valuations up to date?**
- 2. Have you bought new vehicles or equipment or expanded the premises in the past year, or disposed of any assets?**
- 3. Have you assessed the risks to your business? For example, are you in a flood-prone area?**
- 4. What would happen to your business and your customers if your business could not trade due to unforeseen circumstances? Do you have business interruption cover?**
- 5. Have you reviewed all your insurance policies and checked your policy inclusions and exclusions? If you don’t understand any aspect of your policies, now is the time to contact your insurer**

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Business insurance helps business owners mitigate risk and protect their livelihoods. ICA members provide a variety of policies that cover small businesses, tradespeople, professionals, hospitality operators and more. An insurance broker can help SME owners decide on the range of products they need.

For more information visit: <http://www.insurancecouncil.com.au/for-consumers/how-insurance-works>