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Small Business
Insurance

It's no fun thinking about a cost like insurance when revenue hasn't even started rolling in. But many lenders, and the government, require you to have some level of insurance.

Why it's a good idea

The key to good planning is considering all possibilities, including the bad ones. Just as your forecasts will include worst-case scenarios, insurance is a chance to assess and cover your risks. Here are some small business insurance types that might be worth thinking about.

Types of business insurance

1. Property

Much like home insurance, there are policies to protect business buildings and their contents from theft, fire and some forms of natural disaster. It's common for a business to have all its assets in one building, so these policies are popular.

2. Vehicle

Most of us have had motor insurance at some point. It works the same for business vehicles, covering loss and damages due to accidents or theft. It should include care for injuries and some protection against lawsuits by other drivers.

3. Public liability

This kicks in if your business activities cause loss or damage to other people's property, make someone ill, or injure a member of the public. The injury could happen in your shop (someone slipping over) or at a client's worksite.

4. Workers' compensation

If you have staff, you'll be required to carry this type of insurance. It provides financial help if an employee is injured or killed on the job. It's not a substitute for good health and safety practices – you're also required to make the workplace as safe as possible.

5. Professional liability

If you make a mistake in your work that causes harm to others, you can get into a lot of trouble. Professional liability insurance helps you cover the economic damage. This type of insurance is popular among businesses that give legal, medical, engineering and financial advice.

6. Business continuation

If your business is closed down or slowed down for reasons you can't control, business continuation insurance can be handy. Depending on the policy, it can replace some lost income and provide cash to get you back up to 100% capacity sooner.

Don't put off small business insurance

Small business insurance isn't as much fun as naming your business or lining up your first customers – but make some time to think about it. Don't go to a broker straight away. Speak to other business owners and an accountant first. They'll have great practical advice to help you decide what you need.





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