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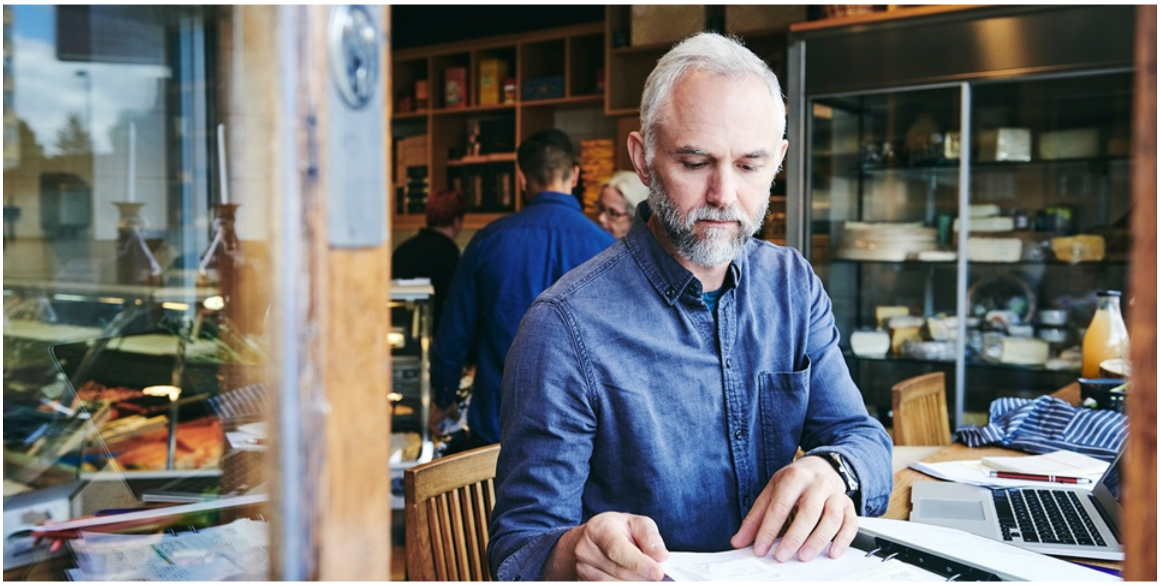
# EOFY insurance checkup for your SME



**The end of the financial year (EOFY) is a time for stocktakes, which includes taking stock of your insurance and risk-management program.**

Reviewing your insurance is an “essential task” for your EOFY to-do list, the Australian government's business.gov.au website states.

No doubt your to-do list is already pretty long, so we've put together a simple guide to completing an EOFY insurance checkup with the help of Steadfast's Broker Technical Manager, Michael White.

He recommends: “start by asking yourself: what changes have occurred to my business this year?”.

“What additional assets do you have? What assets have you disposed of? What has been your growth, or reduction in business? What are your legislative or contractual requirements?”

## Monitoring your assets

Let's go to Michael’s first suggestion – assets.

Ideally, the moment you've taken possession of a new asset, or sold one off, you have notified your insurer.

But if not, now is a good time to do so.

“Go to your broker with an estimate of the replacement value of the asset,” Mr White says.

“It doesn't need to be overly detailed, but have something which sets out the replacement value of the assets you want to insure.”

## Watching your growth

How much your business grows during the year can impact factors such as your stock, staffing and credit levels.

Therefore, it’s crucial to review your insurance cover to see if it’s sufficient and to consider how well it will provide for projected changes in the coming year.

“If you haven't calculated growth, staffing, wages and revenue accurately and you have a major loss, you're potentially underinsured,” Mr White says.

“Our estimate is that only about a third of people who are in occupations that would benefit from business interruption insurance have it.”

Growth can also impact your appropriate sum insured via trade credit insurance, product liability, corporate travel, farm insurance and marine insurance.

## Legislative or contractual requirements

Have you read the fine print on that lucrative contract you recently secured? If not, now is the time to do so.

“Unfortunately, in my experience, businesses often enter into contracts without reading them,” Mr White says.

“Then, after they have signed, they realise that they have to obtain types of insurance that either don't exist, or are quite expensive, and they haven't allowed for that in their contractual negotiations.”

If you find yourself in this kind of sticky situation, reach out to your local Steadfast broker, Mr White suggests.

He's also keen to remind SMEs to review their legislative obligations.

“Quite often, for certain occupations and in certain sectors, you're required by law to have insurance,” Mr White says.

For instance, workers' compensation and professional indemnity insurance are compulsory for many Australian businesses.

## Planning for a Happy New Financial Year

Your business and your needs change from year to year.

And as they do, it's important to re-assess your risk exposures and mitigation strategies.

A good insurance broker will be across legislative changes, shifts in the market, claim trends, plus new and emerging risks.

An excellent broker will also understand exactly how your business works, and how they can help you execute your business strategy.

So if you're already insured, the EOFY is a good time to check in with your broker, take stock of what cover you have and what gaps may have emerged in the past 12 months.

If you're not insured, get in touch with your Local Steadfast Broker – they can walk you through the compulsory insurance for your business, and your options for mitigating risks through insurance.

That way, you'll have a plan for a Happy New Financial Year, no matter what nasty surprises may crop up.

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