

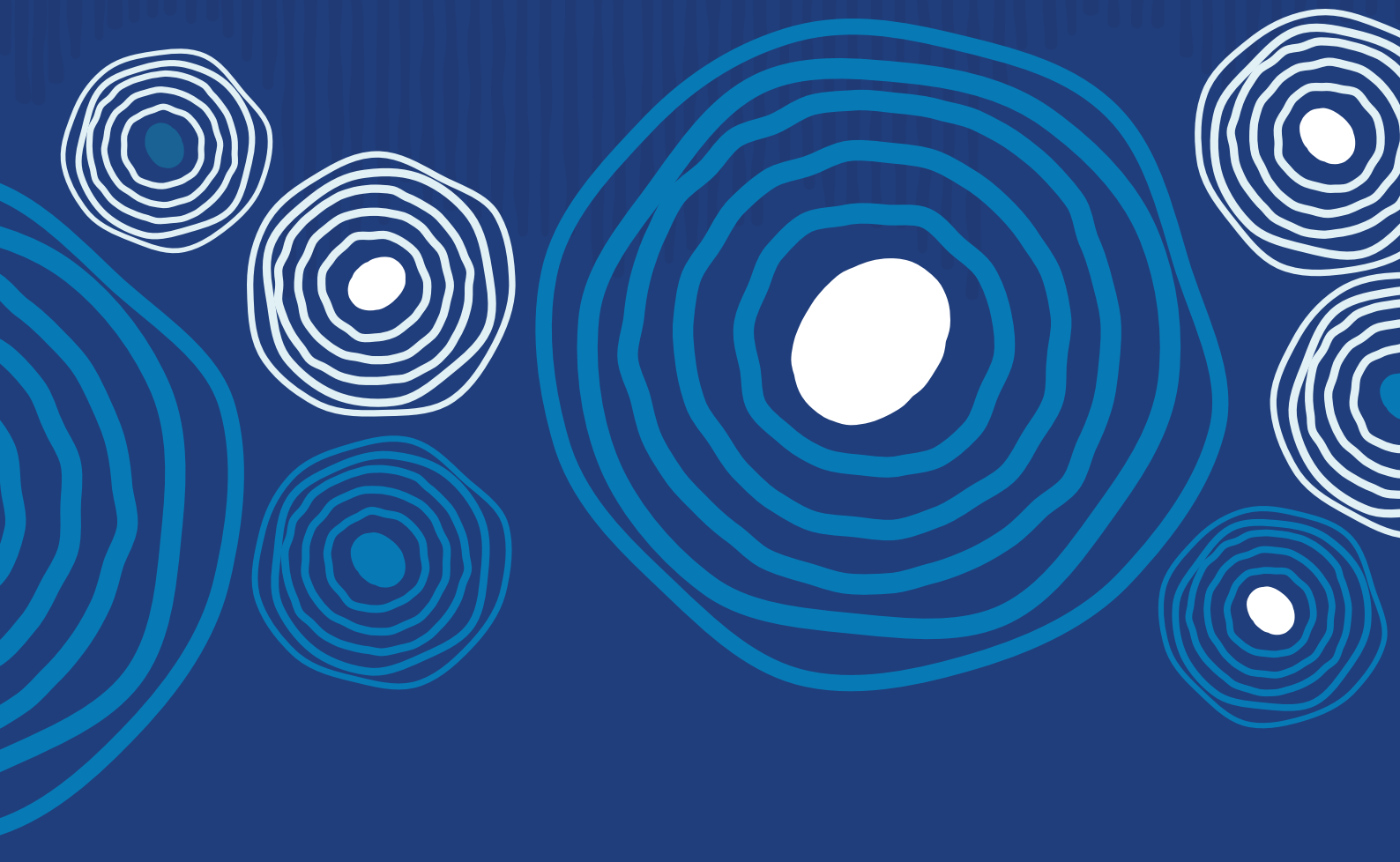
Allianz 

Insurance for Home-based businesses



First Nations-owned businesses are part of an expanding and increasingly diverse sector, however, new research has found that many First Nations home-based small businesses do not have suitable insurance cover for their needs. As part of its Reconciliation Action Plan, Allianz Australia has commissioned First Nations engagement consultancy Winangali to conduct research into the experiences, attitudes and behaviours of First Nations small businesses with respect to their business insurance needs.

To help First Nations home-based small businesses understand the different types of insurance covers for their businesses and their homes, Allianz has created this Home-Based Business Insurance Toolkit.





Is having business insurance necessary for home-based businesses?

There are risks for small businesses as any unexpected expenses can put pressure on cash-flow and overall profitability. Additional financial pressures may exist for small business owners that use their home as collateral with the bank to borrow money to start the business. If your home insurance policy does not cover the business activities, any damage caused to the home could impact the home or contents claim acceptance. If this home is also a collateral, that could lead to additional financial burden for the business owner.


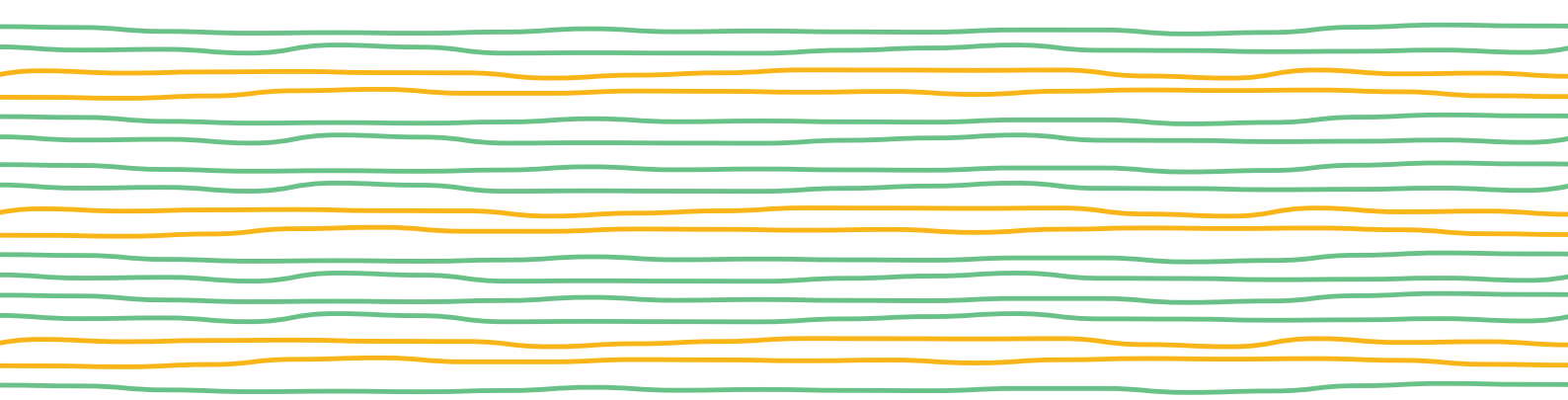
Why is it important to have the right business insurance cover?

Whether you're just starting out or are already established, a lot of energy goes into building your business. No matter how much you prepare, some things are out of your control. Small businesses can be particularly at risk, that's why choosing the right cover is key for your business. Depending on your business type or the locations you operate in, you may be contractually or legally required to carry some level of insurance. That's why it's important to consider your business obligations. It is also important to have business insurance to cover any unexpected losses if you are new to running a business.



Do you need to tell your home insurance company about home-based business?

When running a home-based business, it is important to disclose the use of a property for business activities. It is important to let your home insurance company know if you are operating a business from home. This is to ensure that the nature of business being operated from home is acceptable for insurance cover. Failing to do this could impact any home or contents and business insurance claims and could also result in a failure to fully comply with the relevant legal disclosure obligations as required under the policy.



Why is it important to have the right business insurance cover?

Your business is an important source of income for you. No matter the size of the business it is crucial to have adequate insurance cover for important aspects of your business. When things go wrong, any unplanned costs can affect cash flow.

Here are some examples of the insurance covers available for small business through Allianz:



Public and Products Liability

Public and Products Liability Insurance covers your business if a member of the public is injured, or their property is damaged, at your business premises or while using your products or services. It covers compensation you're legally liable to pay, plus your reasonable legal fees.



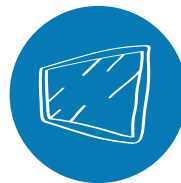
Commercial Motor

Covers accidental damage to property by you or your employees if you're in a road accident on the job. Also protects your business vehicle(s) with cover for loss caused by damage or theft when you select Comprehensive cover.



General Property

Protects your portable tools and professional equipment with cover for accidental damage or theft via a break in. General Property can cover your tools and equipment anywhere in the world.



Glass

Protects your shopfront with cover for accidental damage to glass at your premises, including temporary security costs to keep your small business safe while your glass is repaired or replaced.



Commercial Property

Protects your shop or office building, contents and stock with cover for accidental damage from unexpected insured events, such as a fire, storm, or vandalism.



Business Interruption

Covers your lost income, profits or turnover if your business premises has to close due to unforeseen insured events, like a storm or fire.



Theft

Cover for loss caused by theft of property insured from your business premises, such as your stock or equipment.



Electric Equipment

Covers the cost to repair or replace electronic equipment at your business premises, such as computers, in case of breakdown.



Money

Covers the replacement of money stolen from your business premises during business hours, or outside business hours while locked in a safe or strongroom, while moving it or in your custody at a private residence.



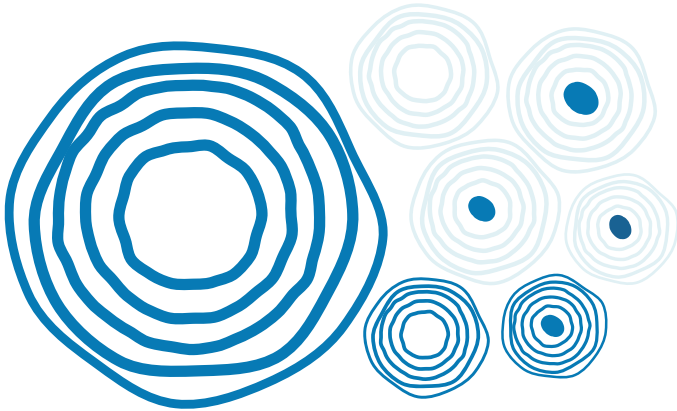
Management Liability

Covers to protect your business against claims of wrongful acts by management, employment practices breaches, theft by employees, or fees you have to pay if your taxes are audited.



Machinery Breakdown

Covers the cost of repair or replacement of your business machinery if it breaks down.



If your business has employees, you will require Workers Compensation Insurance as per requirements stipulated by the state you are based in.



Disclaimer: Any advice here does not take into account your individual objectives, financial situation or needs. Terms, conditions, limits and exclusions apply. Before making a decision about this insurance, please consider the relevant Product Disclosure Statement (PDS)/Policy Wording and Supplementary PDS (if applicable). Where applicable, the PDS/Policy Wording, Supplementary PDS and Target Market Determination (TMD) for this insurance are available from www.allianz.com.au

What are some of the common issues for home-based businesses?

A quarter of First Nations small businesses that we surveyed were sole traders and more than 50% employed between 1-10 people, indicating a high proportion of micro-businesses/home based businesses in the sector.

Our research showed two key issues for First Nations' home-based business:

Non-disclosure of use of home as a place of commercial activities

When running a home-based business, it is important to tell your home insurance company the details of the business. This is to ensure that the business being run from home is acceptable to your insurer. It's important to disclose business details, as not doing so could impact home and contents or business insurance claims and could also result in a failure to fully comply with the relevant legal disclosure obligations as required under the policy.

Under-insurance in General Property

Research shows a very common risk for home-based business is not having enough general property cover. In research recently conducted by Allianz Insurance, it has been identified that about 16% of businesses surveyed did not have any kind of insurance and only 21% of home based businesses had general property cover. General Property Insurance covers the portable equipment and tools you may need to do your job. Items under personal effects for home insurance may not cover tools or equipment for business use. If your contents and personal effects cover does not cover business equipment you may consider either commercial property or general property cover.

Example Scenario

James is left unable to work due to a damaged laptop.

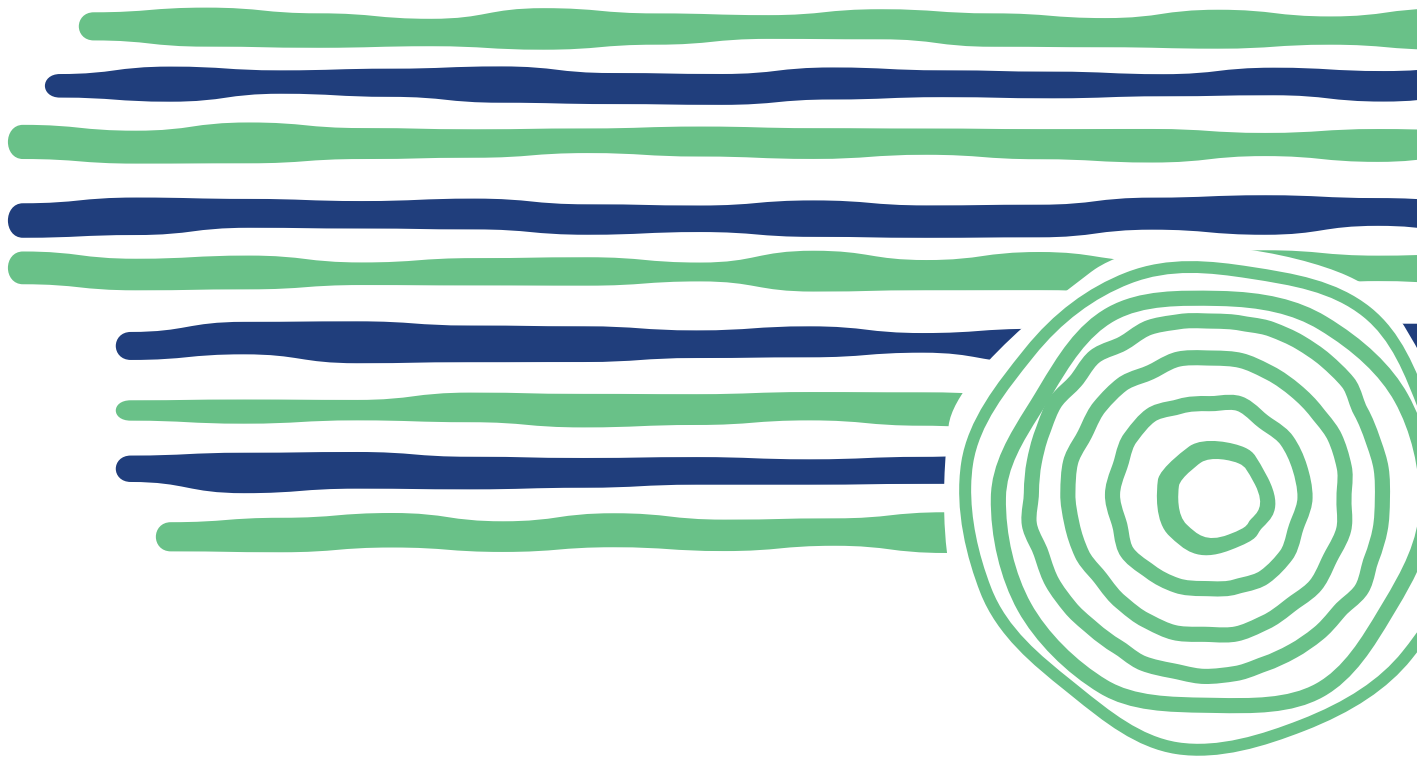
James runs an Indigenous Cultural Awareness Advisory business from his home-office. He uses a laptop and other home office equipment such as a printer, desktop etc. James' laptop is built with higher specifications, has software such as InDesign, video editing software, etc. James takes his laptop to a client's office for a meeting. After the meeting finishes, he leaves the laptop in his car as it's raining outside, before he heads off to meet a friend for lunch.

When he returns from lunch, he finds the side window of his car smashed and the laptop stolen from his vehicle. As this laptop is specialised business use, James' Home and Contents insurance may not cover it. However, if James had General Property Cover, this laptop would have been covered under his business insurance policy.



What you can do to get insured


Contact your general insurance company or an insurance broker to get suitable cover for your business. Contact your insurer or insurance broker if your business operations or circumstances change.



Have questions or concerns?

We'd love to help.

 Call us on **13 10 00** or

 visit us online at **[allianz.com.au](https://www.allianz.com.au)**

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