

## Business Interruption: Expect the unexpected



Many businesses go broke in the year after their business was temporarily interrupted due to a major disaster. Businesses holding Business Interruption Insurance are in a significantly better position and recover more quickly if they are covered with a vital insurance component.

If you are a Complementary Health Manufacturer, remember the major disaster sometimes may not even happen to your premises. It could be your neighbour's business that prevents you from operating for a lengthy period. How would you cope?

The bills won't stop, and the turnover will probably cease. There may be extra costs for moving, renting other premises, and paying staff – wages, utilities, and suppliers while you are not operating. Once you return to business, there may be a period when your turnover is reduced until you can rebuild your customer base.

These financial losses can be crippling to any business, particularly a small business owner.

### **What is Business Interruption Insurance?**

Business interruption insurance is an insurance that covers your loss of income resulting from disaster-related incidents that restrict you from normal trading activities during any insurable event such as Fire, Water Damage, Earthquake and in addition, lost trade due to utility services being unavailable such as Electricity, Water, and Gas.

The aim of Business Interruption Insurance is to put your business back in the same position as soon as possible and cover any additional cost you incur in the process.

## Why it is important to your business?

Business owners fail to think about how their business would cope when things go wrong.

Due to storm damage to your Building, water has entered the premises rendering production machinery inoperable with a need for you to relocate to other premises and re-establish yourself. During this time of disruption, you are not able to operate and therefore suffer a loss of income. The relocation may take up to 4 months given you need to find new premises and have the damaged machinery fixed/replaced.

Business Interruption Insurance is often a policy segment that is added to your property insurance in a package policy. An example of policy coverage under Business Interruption is:

- **Loss of gross profit that your business** would have been earning in the normal business activities.
- **Cover for fixed costs** that do not vary such as rental, wages, etc.
- **Temporary Location.** Moving costs and renting costs if you have to temporarily move to another location.
- **Other additional costs** for the purpose of getting back into operation.

The insurance cost is minimal when compared to the consequences of the unexpected. If you are unsure about your current coverage and need a professional advisor to review your policy or risk, please contact the Friendly Team at **Insurance Made Easy** for personal assistance to discuss your own individual circumstances **1800 641 260** or visit us at: [www.imeinsurance.com.au](http://www.imeinsurance.com.au)



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