

Has your Complementary Health Business been diagnosed incorrectly?



When any Business's activity is recorded for insurance purposes it is particularly important that it is described accurately. Our experience working with many different businesses across varied Industries, including the Complementary Health Industry, is that we quite often find Businesses are mis-diagnosed in terms of their activity.

How does this happen?

We believe not enough time is spent by some Insurance Brokers not understanding all the activities the Business partakes in. For example, tracking the products journey (from raw materials to the end user) and noting all the parties involved in bringing the product to market. Contracts and relationships between third parties. If importing products from overseas, is the carrier insured or is it expected you need to take accountability for insurance cover for your products whilst in transit and, if so, from what departure point to what destination point?

If the insurance risk is not accurate when describing the Business this can lead to the insurers rating the business incorrectly or an insurance claim being denied at a crucial time due to the lack of or incorrect knowledge about what the business does.

Take for example a Complementary Health Business who directly imports their packaging and uses a local contract manufacturer to private label their products. Someone who then stores the stock in a warehouse and sells those products online and through Health Food Stores, Pharmacies, and Practitioners. Their business description could well be incorrectly diagnosed as a retailer and wholesaler only when in fact they are deemed to be a Sponsor/ Manufacturer given: -

- A/Their branded label is on the product, and they own the formula, plus
- B/They directly import the packaging

Here is an example checklist of information that should be collected from you by your Insurance Broker for Products & Public Liability Insurance.

- An understanding of any existing insurance / covers held
- Background / history of the business
- Sales turnover for the last 12 months, & the forecasted projection for the next period
- Product listings with quantities by sales (Exports/Imports & Local distribution)
- Who your contract manufacturers are & what role are they playing in the process chain
- What is the internal structure of the Business
- Are your products distributed in Australia and / or Overseas
- What is your sales distribution model e.g., online, through wholesalers, retailers, etc.
- How many employees do you have? How many contractors do use (what do they do)?
- What is the Corporate Structure of your Business, shareholding, etc.
- Provide photos of the finished products / packaging showing all ingredients listed
- Is the packaging made locally or imported (if imported from what countries?)
- How does the ordering and invoicing / payment system operate?
- Copies of third-party Quality Control certifications
- Contract Manufacturers evidence certification of GMP or other accreditations
- Copies of product recall procedures in place
- Photos of where products are stored prior to distribution
- Copies of Australian / International Standards for your product lines
- Required sums insured for Products & Public Liability insurance

At Insurance Made Easy Brokers we invest our time with you to understand your Business ensuring that our Team know your business activity and processes. This in turn enables us to provide the most accurate brief we can for the specialist's insurers we have long standing relationships with, who we then seek competitive terms from for your consideration.

We are one of Australia's most experienced Complementary Health Insurance Risk Management teams with over 25 years' service to the industry arranging insurance for sponsors, manufacturers, distributors, retailers, regulatory services, and practitioners. We are also a regular attendee at CMA Conferences and Expos and sponsor of the Young Achiever of the Year Award.

If you would like to know more about how we can assist you, please contact our friendly Team at IME Insurance Brokers. You can contact us on 1800 641260.



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