

General Insurance Broking Services

The importance of businesses maintaining currency with insurance



Identifying risks and protecting your business assets

Managing the risk exposures of an organisation, as well as capitalising on its opportunities and protecting its assets are all critical to the success of the organisation.

It is important to remember that all organisations are unique and have different insurance risks.

Many businesses consider insurance as a luxury that only large organisations can afford to purchase. They also tend to only identify risks that are highly unlikely and pay a significant premium to insulate against them, such as the financial loss that may result in a casualty eg. fire, theft or accident.

To some degree this attitude is understandable, however we would like to get businesses out of the habit of thinking that insurance is only useful for protection against casualties. In fact, the most important reason a business may need insurance is for protection against legal hazards and liabilities.

In any event, if you understand how insurance is important to your business you will be in a better position to determine the type of insurance covers required.

In order to avoid exposure to uninsured risks, as well as ensuring you are not wasting money on coverage you don't need, IFS Insurance Broking can assist you when considering the various types of insurance covers available to businesses such as yours, including:

- Property (Building)
- Construction
- Business Interruption
- General Property
- Motor Fleet
- Public Liability
- Corporate Travel & Personal Accident
- Professional Indemnity
- Directors & Officers

Impact of losses to businesses

If an uninsured loss hits a business itself, such as the accidental destruction of the business' computer system, fire, theft of property or a lawsuit based on a 'slip-and-fall' that happened on the business premises, the business could be affected in two ways:

1. The loss may cut business profits, or make it necessary for the shareholders of the business to pour more money into the business to keep it afloat.
2. The business may have a legal liability to others to pay for the business' loss.

The extent to which a business and its directors and officers can be held financially responsible for debts and legal judgements depends on several things, including the legal form in which the business is structured and operated.

How much business insurance do you need?

Once we have determined the types of insurance you may need, we can then assist you to accurately assess how much insurance is adequate for your requirements.

Too little insurance may leave you vulnerable. Conversely, too much insurance may affect your bottom line. How can you reach a balance? Only a truly independent and professional service from a qualified insurance broker can deliver the best advice and outcome.

At IFS Insurance Broking we use the following simple, but effective process to help our clients purchase the most suitable business insurance package for their company:



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This is a structured approach designed to ensure that the final insurance outcomes are aligned with the needs of our clients. This is particularly critical in the event that a client suffers a loss and there is an urgent need to ensure recovery from its insurance policy.

This approach also ensures that the client's insurance programme is connected to their risk management strategies and plans at all times.

To help clients understand their needs, we advocate that they:

- Know their business, its structure & the regulatory environment in which it operates
- Know their assets, its liabilities & risks
- Know the value of their assets
- Know the legal and/or statutory minimum insurance covers required
- Understand their risk management objectives and plans

By following this effective methodology, our clients can be satisfied that they have appropriate insurance coverage that meets their needs.

An Analytical Approach to General Insurance

The General Insurance market is both volatile and cyclical. On the one hand, this is driven by competitive pressures and claims experience, however on the other, it is driven by market capacity and reinsurance terms.

Market swings (from soft to hard markets) are inevitable and business insurance buyers should prepare and develop a strategy now and not wait for the market to change.

In our view, the strategy should include better risk management, including a detailed needs analysis of the business by an experienced insurance broker and a subsequent 'gap analysis' for review. The purpose of the gap analysis is to effectively identify any uninsured risks and the ability or willingness of the client to either self-insure risks or transfer these to an approved insurance company.

This approach will also assist in identifying any duplication of insurances, and any possible savings on premiums.

This process is undertaken in consultation with the client. When it is completed, a programme can then be designed or amended and fully costed in the market place with quality insurers.

This methodology will ensure that the overall insurance programme reflects the needs of the business and takes into account the assets and hazards identified.

About IFS Insurance Broking

IFS Insurance Broking is an independent and licensed insurance broking and consulting firm and the leading provider of insurance services to the Industry Superannuation Fund network.

We are a specialist practice firm committed to delivering a range of comprehensive and strategic services to clients.

Our approach is simple yet refreshingly different. We listen to clients and work with them to understand their needs and requirements before providing appropriate insurance solutions.

This flyer is only for general information and is not a substitute for specific advice. We accept no responsibility for any person or corporation acting on this information without prior consultation with us.



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