

THE **5** MISTAKES PEOPLE MAKE WHEN SELECTING INSURANCE COVER



and how to avoid them.....

A large green graphic on the left side of the page. It features a central pie chart with a percentage sign (%) in the middle. The pie chart is divided into several segments, some of which are highlighted with different patterns like stripes and dots. Above the pie chart is a hand icon pointing down. Below the pie chart are three circular icons: a gear, a dollar sign (\$), and a padlock. A dashed line curves from the bottom left towards the text on the right.

The 5 Mistakes People Make When Selecting Insurance Cover and How to Avoid Them

Making sure you have the right insurance and that you are protected is vital for your success. Get it wrong and it could be catastrophic to your livelihood.

Navigating your way through the world of insurance can be complicating, confusing and often time consuming.

To help make this process easier, we have used our experience to put a guide together to assist you.

This includes the top five mistakes we see people make when selecting insurance and how to avoid them.

1

Cheapest isn't always the best

You know the old saying, "You get what you pay for" well, nowhere can that be truer than when buying insurance cover.

You need to be very careful when selecting your insurance cover that you don't make your decision based on price alone.

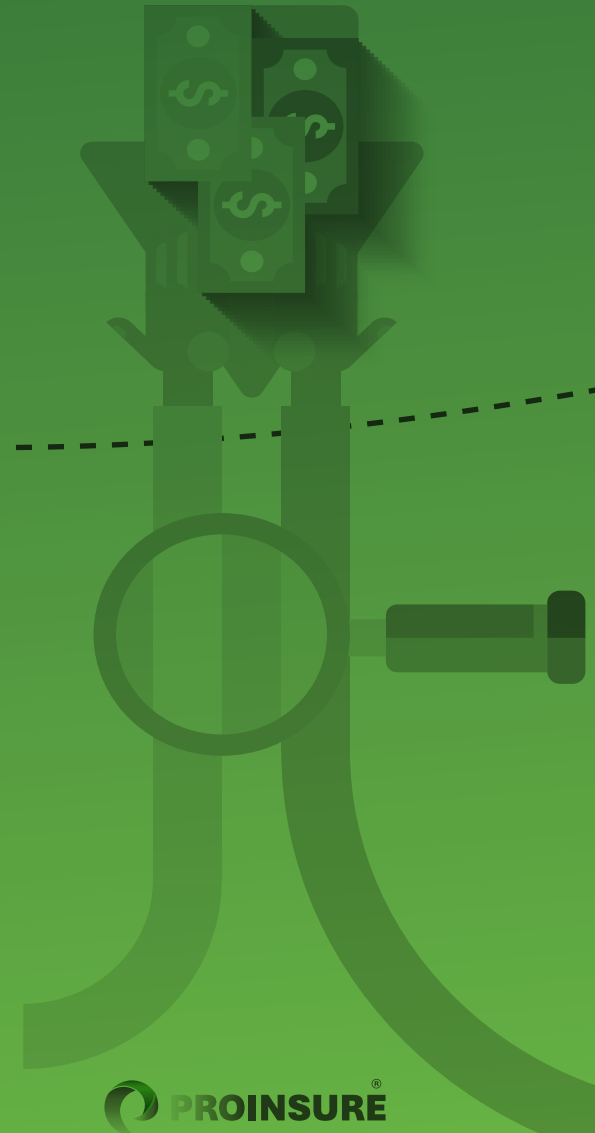
Keeping the costs of your insurance down is important in any business and an insurance broker's role is to research the market, obtain alternative options with various insurers and explain the differences in cover.

Premiums can differ greatly between insurers due to:

- What the policy covers, or more importantly what it doesn't cover; or
- The insurer not being given the full or correct information, such as different sums insured, fire protection & security information, business turnover, past claims that have been made, convictions, bankruptcy or any other important details with reference to what they are insuring.

**If the policy is significantly cheaper, then there's normally a reason.
If your broker can't tell you why, talk to someone who can!**

Therefore, it's vital to work with a professional insurance broker who you can trust. That relationship in your business is as important as your accountant &/or solicitor.



2

Underinsurance

Insurance companies estimate that on average 80% of commercial clients are underinsured!

Could your business survive a major loss because you were underinsured? Please don't make this mistake and become one of them!

People often underestimate values to be insured because they don't understand the true replacement cost of their assets or cover they need, or to help reduce their premiums and save money.

If a claim is made, then this could lead to underinsurance penalties, and you may need to fund that gap.

HOW TO AVOID IT?

This is where your insurance broker can provide you with the correct advice by understanding your business and the risks associated with it and provide you with the advice you need.

It's important that they're able to help you understand the risks and the benefits so that you can make an informed choice.

We review the adequacy of the sum(s) insured to ensure they reflect the current replacement values. In ascertaining the sum insured, due allowance should be made for such things as removal of debris, temporary protection costs & professional fees (Architects / Engineers) & for anticipated increases during the forthcoming year in building costs.

It's vital to get the right level of cover.

3

Understand what you are buying

Insurance can be complex and hard to understand, and you may not have time to study all the differences in a number of policies and covers in detail.

That is why you need the help of a professional insurance broker who you can trust.

The relationship with your insurance broker should be as important to your business as your relationship with your accountant or solicitor.

To get a better understanding of the risks and available cover, it's important to read the documentation that comes with your policy or go through it with your broker, asking questions about anything you don't understand.

It is vital to your success that you protect yourself, your family and your business against the inherent risks faced with running your own business.

It's important that you work with your insurance broker who can help you to understand the risks in your business and tailoring and insurance package to cover those risks.



4

Review your cover regularly

In business things can change. This should include your insurance policies too!

A common mistake people make is that they don't complete a proper review each year of their insurance. They simply renew the policy each year.

But if circumstances have changed in your business, then you could now become under or over insured. These changes could include the following:

- The size of your business (it might have grown or shrunk)
- Activities within the business may have changed leaving you exposed for liability
- Business income might have increased or decreased

These could all have an impact on your insurance policies and the cover required.

Your business may have changed since your last review and now have a totally different set of risks that the insurance company isn't aware of. What happens if a claim occurs?

It's also important to review all aspects of your insurance to ensure it's relevant to your business.

5

They don't use a professional insurance broker to buy their insurance

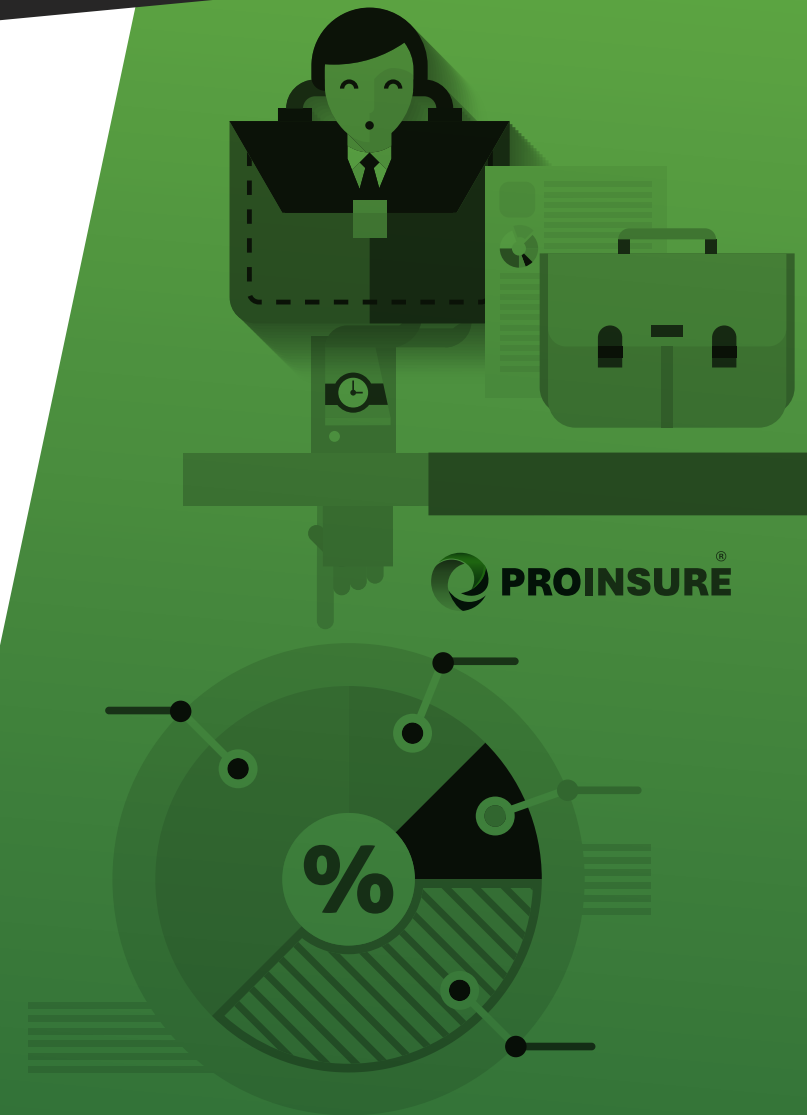
Buying a personal car insurance policy directly from the insurance company is vastly different to buying complex business insurance policy or program.

That's why it's important to engage the services of a professional insurance broker who you can trust.

A professional broker will help you by:

- reviewing your current situation in detail;
- advising you on your risks and where you should get cover, while educating you on what's available;
- tailoring an insurance solution to fit your needs;
- marketing your insurance program to insurance companies to get you comprehensive cover at the most competitive price;
- Helping you complete all the paperwork and payments to get the cover in place; and
- Manage your claims from start to finish

It's like employing your accountant to prepare your tax return.





FREE

**COMPLIMENTARY
INSURANCE HEALTH CHECK
WE CAN HELP YOU!**

The best way to find out if we could help you with your insurance cover is by having a complimentary insurance health check.

This is a great opportunity to get advice on your insurance from an expert. During this session, we'll do the following:

- Complete a review of your current situation, including reviewing what plans you have and any concerns
- Review your current policies to identify what is and isn't covered
- Review any uninsured risk you might have and what that might mean for you
- Review any outstanding claims that haven't been finalised
- Provide quotes on all the options discussed

Then, at the end of your insurance health check, if you could benefit from our services, we'll look at the different options to tailor a package that suits you.

If you'd like to book in your complimentary insurance health check, then please either give us a call on 07 5500 3500 or email info@proinsure.com.au.



info@proinsure.com.au (07) 5500 3500

1H Jabiru House, Masthead Way
Sanctuary Cove QLD 4212

A detailed green-toned illustration on the left side of the page. It depicts a business workflow with various icons: a person in a suit, a lightbulb, a gear, a magnifying glass over a document with checkmarks and Xs, a bar chart, a line graph with an upward arrow, a percentage sign, a dollar sign, and a handshake. The background is a dark green diagonal band.

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