



home-based business INSURANCE basics

Now more than ever business operators are running their businesses from home. With the top 4 reasons for having a home-based business are:

- convenience and fewer overheads
- a better work/life balance
- no commuting times
- freedom and ability to care for children

it's no wonder there is a huge shift toward this trend.

Will your home insurance cover your business?

In short, probably not. The coverage offered by a home insurance policy is very limited for home-based businesses. You will need more specific insurance to protect you and your business appropriately.

What covers do you need for your home-based business?

This will depend on your business activities and assets. The common insurance covers that you might like to consider are listed overleaf. Many of them can be packaged together under a Business Insurance Policy.

PUBLIC LIABILITY

Your home insurance won't cover customers or suppliers visiting your home. Public Liability insurance covers you for the small but significant risk of someone being injured on your property when it relates to your business activities. Think...someone tripping over an extension cord in your office during an appointment or slipping over on a wet driveway when they arrive to collect their order. Either could result in an expensive civil lawsuit.

PRODUCT LIABILITY

Do you manufacture, assemble or produce a product? Your Home insurance policy won't cover you if your product injures someone. This one is a 'must have' covers if you make any products.

PROPERTY DAMAGE & THEFT

Home insurance policies don't usually cover business inventory, or equipment and your stock will likely be excluded as well. Stock, contents, and any specialist fit-out or equipment can be covered under a

business insurance policy for damage and theft.

BUSINESS INTERRUPTION

A home insurance policy won't replace your lost income if your home is severely damaged, and you can't work from your home base for months while repairs are completed. If your home business is your livelihood this type of cover offers significant peace of mind and keeps your income flowing.

PORTABLE ITEMS

Do you visit your clients for your home based business and take a laptop, tablet, or other portable types of equipment with you? Your home insurance policy is unlikely to cover



Home insurance policies are not designed to cover business liability, stock, or equipment leaving significant gaps in protection. If you:

- create, supply, or manufacture something, or
- your customers come to your home (for any business-related reason like collecting goods or appointments etc), or
- your business equipment is specialist or 'chemical' in nature. Think...machinery, plant, or chemicals stored at home for use in pool cleaning your business, or
- you are storing your business retail stock at home,

a home and contents insurance policy are unlikely to protect you and your business in most circumstances

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these items while they are away from your home. If you rely on a piece of 'portable' equipment to earn a crust, consider covering it away from your home base on a business insurance policy.

TAX INVESTIGATION COSTS

This cover is ideal for home-based business operators. Home-based businesses have long since been a favourite target group by the ATO for audits. It covers the cost associated with being audited by the ATO such as Accountant fees that relate to the audit.

Other business risks to consider

Cyber and Data Breach Liability insurance is fast becoming a worthy addition to the list of common policies for business owners to consider

Workers' Compensation is a must if you employ staff. You might also want to consider Management Liability insurance. Visit our website for more info on this policy.

Commercial Car insurance is also a must if you are using your vehicle for business purposes - particularly if you are carrying goods or people.

Personal Accident and Illness Insurance is worth a look too. If you are a sole trader or your business relies heavily on you to generate income - this type of policy can protect lost income if you are injured or become sick and can't work for a period.

Professional Indemnity is a must if you are consulting or providing advice.

Getting a quote

Getting a quote is quick and easy. Visit our website, www.reefib.com.au and navigate to the Business Insurance page to complete a quick online quote request or call us for a chat on 0473 007 606. Typically, we only need a few details about you and your business to provide a quote.



This information is general in nature and should not be considered as personal advice, for a more tailored discussion about your circumstances please call us for a chat. ABN: 48 646 410 335 | Corp AR of UIG # 1285127

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