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INSURANCE vs BROKER INSURANCE *explained*

As a small business owner, it can be hard to find the time to fit everything into the day. When it comes to your business insurance opting for a cheap one-size-fits-all online option is probably very tempting.

It might save you time and money now, but it is worth being aware that cheap insurance isn't always good insurance and one size never fits everyone.

Cover V Price?

No one wants to overpay for insurance but not having the right insurance can cost you far more down the track when you need it most.

An insurance policy is a contract between you and the Insurer designed to put you back into the position you were in before things didn't go to plan. One-size fits all policies don't take your specific circumstances and unique business nuances into account.

exclude it altogether and yet another may attach conditions that restrict or lessen the coverage.

Insurance is based on historical claims evidence and potential future loss for the Insurer. Across the board, there really isn't a huge difference in the 'base' premium rate that insurers use. The difference in price is often the quality of the cover. Some offer less cover, and some offer more cover and this can often be reflected in the final premium.

Opting for what seems to be a good deal could see you underinsured with less coverage. Cover that you and your business might need to survive through a loss.

Risk V Value?

As a small business owner, you probably have a small, trusted group of professionals that you use to help you to manage various parts of your business. Your Accountant, maybe a bookkeeper, your IT guy, your bank manager, and so on. Adding an insurance broker to that list is a smart move.



At some point, you may need to test your business insurance by making a claim. Those that have been in this unfortunate position know all too well what an exhausting, time-consuming, and often infuriating experience it can be. Unfortunately, DIY insurance can often result in a bad claims experience with an undesirable outcome. Everyone knows someone who has been declined an insurance claim and feels cheated by an Insurer.

What might be a small impact after a loss for one business could cripple another – even if they are in the same sector or industry.

Insurance PDS terms, conditions, and definitions can be confusing and every Insurer's version of these is different. If you were to compare closely you will find that one insurer will offer coverage for something, while another may

An Insurance Broker makes the process of sourcing adequate and appropriate insurance for your business less of a risk, and the experience won't necessarily cost you more, especially if you weigh up the value vs risk.

If you have a limited budget, your Insurance broker is the best-placed professional to guide you through the 'must have' and 'nice to have' insurance policies for your business, giving you the most protection and value.

