

## Bouncing back from a break-in

Having your business burgled is always extremely distressing. While it can interrupt your ability to operate, the feeling of insecurity and inconvenience a break-in has on you is something insurance can't protect you from.

So while your insurance is there to make good your loss, you're doing yourself a favour if you make every effort to prevent it happening in the first place.

Sometimes though, no matter how thorough you are, you can just be unlucky, so it's important to be prepared for the aftermath of an invasion and have a proper plan in place.

A considered insurance program is crucial to make sure that you will not suffer financially should the worst happen.

If you're the first person on the scene, don't be a hero. Call the police immediately.

If you've arrived to find access has been made, don't enter the premises, however much your instinct tells you otherwise.

The intruder may still be inside and you do not know how they will respond to confrontation.

Damage to the building or infrastructure may also have made the area unsafe, and crucial evidence may be disturbed.



Don't be a hero if you find an open door

The police will give further instructions when they arrive, and make sure any staff who are distressed by the incident are given proper support.

Once you are permitted into the building, it's important to complete proper documentation.

Remember to take photographs of the damage before you start cleaning up, and – of course – make a note of any items stolen.

Carry out virus checks on computers and ensure that no physical device has been inserted into any machines. Also instigate a review to establish whether any keys are missing.

And please, make early contact with us so we can advise and support you through the claims process.

Once the dust has settled, it's very wise to carry out an in-depth review of your security arrangements.

For example, how did the intruder gain access to the property? What can be done to prevent this in future?

Are locks, alarms and lighting all up-to-date, operational and well maintained?

Were security cameras in place, and was the footage of sufficient quality?

Did staff know how to respond, and do procedures need updating?

Do you have an up-to-date inventory of company property, complete with serial numbers, photos and receipts?

Was your insurance coverage sufficient and are the details held by us current?

Of course, we can advise you on your insurance coverage and any other insurance matters.

But because prevention is better than cure, please feel free to talk to us about any concerns you might have.

While we all hope it won't happen to us, it might – and it's so much easier to deal with a burglary if you know that you're properly covered and there's a considered recovery plan in place.

# Small businesses benefit from changed contract terms



From November 12, new laws will protect small businesses from unfair terms in standard form contracts.

It's no great surprise that the Federal Government is extending provisions that have historically benefitted retail consumers – in such things as mobile phone contracts and electricity/gas contracts – to small businesses.

Small businesses are often offered services on a “take it or leave it” basis, without the ability to negotiate the terms.

The new legislation's definitions include small business contracts where they are for the supply of goods or services.

It applies where at least one of the parties is a small business that employs less than 20 people, and the upfront price payable under the contract is no more than \$300,000 or \$1 million if the contract is for more than 12 months.

The law sets out examples of terms that may be unfair, including terms that enable one party (but not another) to avoid or limit their obligations under the contract.

It also applies where one party has the ability to terminate the contract, penalise one party for breaching or terminating the contract, or enables one party to vary the terms of the contract.

Only a court or tribunal can decide that a term is unfair, and terms that set the upfront price payable under the contract are not covered by the law.

If a court or tribunal finds a term is unfair, the term will be void.

The rest of the contract will continue to bind the parties to the extent it is capable of operating without the unfair term.

While most standard form contracts and contractual terms will be covered by the new laws, “certain insurance contracts” are exempt.

The new laws are expected to most significantly impact on the transport sector, where standard form contracts are common.

Currently, Australian domestic transport operators are not subject to any specific carriage of goods legislation and are free to contract out services as they see fit.

This has led to widespread use of the “all care, no responsibility” consignment note, which favours the transport operator by excluding all liability, including where damage to goods has been caused by negligence.

After the changes on November 12 however, operators will no longer be able to rely on the “all care, no responsibility” style of contract and will need to amend their standard terms to ensure they do not contravene the new legislation.

More information about the new laws is available on the websites of the Australian Securities and Investments Commission and the Australian Competition and Consumer Commission.

If we can assist you where the new law applies to insurance contracts, don't hesitate to call us.

# Broaden your business horizons – but take cover

Most people would think of corporate travel as an executive winging their way to a foreign city to conduct a major piece of business.

In reality, many business trips are within Australia. But due to this country's size, it's not much different to travelling around Europe.

Bad weather in Australia can cancel flights, flooding can make roads impassable and illness can strike close to home as easily as in a foreign country. And because of items such as ambulance services being state-based, not having cover can soon rack up significant bills.

With more executives – whether they're business owners or managers – travelling again after the downturn of the global financial crisis, corporate travel insurance has become more important to small to medium-sized businesses.

A survey by Ageas in the UK of more than 1000 SME businesses found 18%

did not have a corporate travel policy in place. This was despite the survey finding more than half of the owners and directors of these businesses travelled more than they did a year ago.

Much the same trend has emerged in Australia as businesses of all sizes focus on expansion into other states and overseas. The internet has made it possible for any business to cast its net much wider, and with that inevitably comes the need to travel to pursue new opportunities.

Corporate travel insurance covers most situations that can occur both domestically and on international trips.

These include medical expenses, personal accidents, cancellation expenses, lost luggage and car hire excesses.

Cover can also be arranged for both natural disaster evacuations and those caused by political unrest. While such events are highly unlikely in Australia,

that's not the case for countries in Asia.

Any of these events – and medical treatment in the US is an example – can create bills that are in the thousands of dollars and could cause terminal financial damage to a small business.

A corporate travel insurance policy can also include additional benefits for the owner or director by providing cover for leisure trips with the family.

There is never any shortage of horror tales about people's misfortunes when travelling away from home.

Hurricanes in the Americas, flooding in Australia and volcanoes in Asia seem to ground travellers with regular monotony.

So if you're looking at expanding your business and looking at travel overseas or interstate, talk to us about how we can protect you from the financial damage when things go wrong far from home.



# Product recalls, and why insurance cover is essential

Product recalls are arguably the biggest nightmare possible for any company. Just ask Samsung, the latest in a line of household names to suffer a public embarrassment from selling faulty goods.

The South Korean tech giant has recalled about 2.5 million of its latest Galaxy Note 7 smartphones globally, barely weeks after its launch, when consumers reported their devices caught fire.

Beyond the headlines and consumer alarm, the recall has cast the spotlight on a subject that is equally vital but hardly mentioned in mainstream media – that is, product liability insurance.

About 670 products were recalled in Australia in 2015/16, up from 596 in the previous financial year, according to the Australian Competition and Consumer Commission (ACCC).

Which clearly illustrates that product recall liability insurance is indispensable for any company – big or small – making products.

It doesn't matter whether you're a Samsung, frozen berries distributor or a small factory producing widgets,



product recalls can happen to any business in a world of inter-connected supply chains.

The problems and reputational damage associated with product recalls are excellent material for the media. The reputational damage in the age of social media is incalculable.

Last year's frozen berries recall cost Patties Foods dearly as the food company

suffered a massive 88% drop in earnings. And that's not counting the damage suffered by the brand following the food scare. The company subsequently pulled out of the frozen berries market entirely.

In the case of Samsung, the recall may cost it as much as \$US1.8 billion.

The ACCC recently launched a website to make it easier for Australians to check if they have any unsafe

consumer goods lying around.

It means businesses are under more pressure than ever to make sure they have adequate product recall liability cover.

So, just what is a product recall liability policy?

These policies are designed to protect the insured business from significant financial and reputational costs when a flawed product is recalled.

A typical policy will cover the cost of withdrawing the product from shelves, the cost of replacing the affected product and providing experts to manage the public image of the brand.

Consumer goods and food and beverage producers are among those who shouldn't even consider starting work before taking out product liability cover.

It's the first and only line of defence for a business caught up in the wrangles over a defective or contaminated product.

Hesitate no more and give us a call today. We can help you set up your first line of defence.

# AIS

**A.I.S. Insurance Brokers Pty Ltd**

137 Moray Street  
South Melbourne 3205  
PO Box 7760  
Melbourne Victoria 3004

Telephone: 03 8699 8888  
Facsimile: 03 8699 8899  
insure@aisinsurance.com.au  
www.aisinsurance.com.au