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SUMMER 2021

CLIENT NEWSLETTER



Not over yet: 2021 starts with virus challenges

Playing safe: Australia has an enviable COVID record, but further outbreaks are expected this year

For many people, the traditional summer holidays this year were an exercise in dodging border closures and virus hotspots. The situation highlighted the fact that the challenges of COVID-19 have not gone away.

Workplaces also have to keep an eye on the situation as they move to bring staff back to offices this year and refocus on measures to keep employees and customers safe and to reduce potential risks of an infection outbreak.

Plans for Australia to roll out vaccines are accelerating, with groups at the greatest risk at the head of the queue. But the pandemic experts we've come to rely on say community action to curb the spread of the virus will remain essential.

Virus numbers have surged in many countries over the Northern Hemisphere winter and following the holiday

season, pointing to the risks of complacency.

England went back into lockdown after Christmas as a more infectious variant took hold, and the events of the summer in Australia have demonstrated all too clearly how quickly the situation can change.

The Queensland Government locked down Brisbane in early January after a local case of the highly contagious strain was linked back to an overseas arrival quarantine hotel, while borders across the country have closed with little notice in response to various outbreaks.

In the office environment, workers' compensation authorities stress the importance of providing safe and clean workplaces as the pandemic looks set to still be with us in the months ahead.

Measures to facilitate social distancing include restricting the number of people in offices at any one time and reducing potential congestion in such places as lunchrooms and kitchens.

Employers must have cleaning and disinfection supplies on hand, ensure good hygiene practices and keep an eye on the general well-being of employees amid the ongoing challenges.

State laws may require registers of every person who attends a workplace, including employees, clients and visitors, while firms should be aware of their responsibilities if a staff member contracts the virus.

So it's time to start thinking about the way your own business would handle any virus-associated restrictions or lockdowns, and how your insurance can help you

weather any setbacks.

For example, if your business involves contact with interstate operations like suppliers, you will know the value of occasional face-to-face meetings. Domestic air travel is therefore more likely to be the initial focus, but as the potential for international trips opens up firms will need to know what is covered – and the insurance assistance available – in pandemic scenarios.

Now is the right time to assess your business strategies and examine your insurance policies.

Our annual reviews with our clients this year will need to take COVID risks into account as part of your insurance planning. But if you need to discuss your concerns, or simply gain a better understanding of how your policies will respond to virus-related risks, give us a call.



Flood warning: businesses must remain alert to the catastrophe threat

Don't let your guard down this La Nina summer

This time last year plumes of dark smoke covered Australia's largest cities and large swathes of eastern Australia for days as the country endured its worst bushfire catastrophe in recent memory.

The bushfires in New South Wales, Victoria, South Australia and Queensland – dubbed the Black Summer – led to insurance payouts of at least \$2.32 billion, which with the addition of floods and hailstorms sent the season's total catastrophe insurance bill past \$6 billion.

This year has so far been more benign, but as is the case come every summer in Australia, natural disasters such as fires and floods loom large as a potent danger for small businesses.

Small and medium-sized businesses were among the hardest hit when the Black Summer struck and a significant number were either under-insured or had no insurance at all, according to the Australian Small Business and Family Enterprise Ombudsman.

The 2020/21 summer season may be only weeks away from ending officially, but business owners cannot afford to let down their guard. While bushfire outbreaks have been less severe so far, restricted to just

a handful of areas, the threat of natural disasters has not gone away.

Unlike last year when the main danger came from bushfires, weather scientists have flagged the flood-inducing La Nina climate pattern as the key risk facing Queensland and the rest of eastern Australia.

La Nina – which means “little girl” in Spanish – caused immense damage when it last made its way to Australia. The 2010-12 climate phenomenon triggered catastrophic flooding across much of Queensland, including the 2011 Brisbane flood, as well as Cyclone Yasi.

While the 2020/21 version of La Nina has likely reached its peak, the Bureau of Meteorology says the impacts associated with the weather pattern, such as excessive rainfall, are expected to persist across eastern and northern parts of the country through the rest of summer and possibly into early autumn.

There's not much that business owners can do about La Nina or other potentially damaging weather events. But there is certainly a lot that they can do to avoid a financial disaster in the event a flood or cyclone disrupts their trading operations.

Ensuring your business has a risk management plan in place – one built around having not just adequate insurance but cover tailored to your real needs – is a good starting point.

Over the years businesses have been told time and again about the importance of preparing for the day when disaster strikes. While many have heeded the advice, most still prefer to take a chance that they'll be okay. Remember the old saying, “penny-wise and pound-foolish”?

It's never too late to draw up a protection plan if you haven't already done so. Even if your business already has one in place, now is as good a time as any to refresh the plan to take into account the risk landscape that your business operates in right now. Every little detail counts.

Remember even as we prepare to farewell summer, the weather dangers associated with the season are likely to linger around for longer.

So get in touch with us. We'll work out the insurance that best protects your business in the most practical way. Don't leave your livelihood to chance.

Business hit, revenue uninterrupted

An indefinite shutdown is a financial nightmare for business owners.

Last year, many were severely impacted when governments introduced trading restrictions to control the spread of the COVID-19 virus, leading to a messy legal fight over business interruption insurance.

The court battle is still ongoing and it may be a while yet before the matter is settled. At the heart of the dispute is whether claims from small businesses for losses caused by the pandemic are valid.

The dispute is a matter for the courts to decide. Our job is to advise you on the potential risks to your business and the range of insurance solutions available to see you through a crisis. And business interruption cover fits into that picture.

Don't let what you've read or heard about

the court dispute put you off business interruption insurance – it's vital. It covers you for loss of income if you are forced to stop trading because of a disaster or many other unforeseen circumstances.

There are bills to be paid even if your business is closed indefinitely. You have your fixed expenses such as rent, wages and loan repayments to worry about when your revenue stream is disrupted.

Take the example of one client whose business interruption cover provided him with rental income payments when his property had to undergo repair for water damage.

Had he not had the cover he would have had to increase the loan value of the mortgaged property to cope with the temporary income loss. And this action – thankfully one that he did not have to take

– would have meant additional financing expense for him.

Of course there will be policy exclusions that you will need to be aware of. Every policy is set out differently and if you want a specific risk covered, it can be arranged.

The organiser of the Wimbledon tennis championship took out an insurance policy for pandemic risk and when the event was cancelled last year because of COVID-19, it received a payout of almost \$200 million.

Business interruption insurance is essential if you want to completely cover your business against the wide range of risks that would impact on your ability to survive. Talk to us about it. We can set you up with a business insurance program that gives you peace of mind.

Vital support: while disputes about virus cover continue, business interruption policies remain essential





Insurance isn't easy. Here's why you need us

Team effort: working with a broker brings better insurance outcomes

Who needs an insurance broker to help them protect their SME business? Aren't brokers more aligned to big companies, while SME owners and managers can take advantage of the vast trove of information about insurance that is easily available online?

A report prepared by Deloitte Access Economics shows just how risky it can be to go it alone.

The research, commissioned by the National Insurance Brokers Association, found some 40% of clients were either under-insured or not insured at all before they engaged a broker. About 33% were paying more on their insurance prior to enlisting broking advice. And 41% of SME clients agreed their claims process would have been "much harder" without the support of a broker.

One business owner who is quoted in the report says she made the right move to seek advice from a broker. "People don't understand the risks of going to the standard, cheapest policy. They might have saved, but they didn't know what they were covered for."

She says that when her farming property was severely damaged in the 2019 Townsville floods, her broker advocated strongly on her behalf during the claims process. The broker provided a range of support to help her through what was a difficult period, such as appointing a project manager to oversee the repair work. The broker also negotiated an additional \$10,000 in repairs than had initially been proposed by the insurer.

"You could talk to them about what you're going through; they understand and they are emotionally involved," she says. "Without their support it would have been a totally different journey."

Misconceptions about insurance brokers run deep. But the report illustrates the value that brokers provide to their clients.

It's about a lot more than just arranging insurance for clients. We represent our clients' interests with insurers and advocate for them in the insurance process.

As your broker we have a legal and professional obligation to serve our clients' interests. We help clients understand the risks to their businesses

and prescribe tailored risk solutions to protect their livelihoods.

As the report illustrates, brokers bring clients a range of benefits. They hold highly specific qualifications and accreditations, bringing value to clients through their experience working in the insurance industry.

In a nutshell, that's what we bring to the table.

In a market as difficult as it is now, with insurers wary of providing cover to any business that may contain a higher level of risk than they are comfortable with, our working relationships with underwriters make a big difference. We know how to analyse and present each client's unique risk profiles to ensure the best coverage at the lowest possible price.

So don't risk it with Google, because buying insurance direct means you're on your own in assessing your risks and fighting for the best claims outcome. We're just a call or an email away.

And always remember we work only for you and your business.



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