



McCormick Harris

INSURANCE

ADVICE • SOLUTIONS • SERVICE

WINTER 2025

CLIENT NEWSLETTER



EOFY insurance and tax-time tips

As the end of the financial year approaches, many businesses will be focused on closing out their books, preparing tax returns and reviewing budgets for the year ahead. It's also a good time to get your insurance records in order and make sure your cover aligns with your financial reporting.

Most business insurance premiums, including those for public liability, professional indemnity, commercial property and cyber insurance, are tax-deductible. But to claim correctly, accurate records are essential. Make sure you've kept invoices or payment confirmations for each policy, and double-check how premiums are recorded if a policy covers both business and personal use.

If you use the same policy across business and personal contexts, such as for a shared workspace, car or equipment, it's important to split the expense proportionally. Only the business-related portion is deductible, and your records should clearly show how that

split was calculated. Your accountant or broker can help clarify this if you're unsure.

It's also worth reviewing your policy schedule. This document outlines your cover period, sums insured, and any specific exclusions or endorsements. Cross-checking it against your accounting records can help prevent mistakes, such as missed deductions or overstated coverage.

Another useful document at this time of year is your certificate of currency. This confirms that your insurance is active and up to date. Many contracts, leases and tenders require this document as proof of cover, and having a current version on hand can avoid delays when those requests arise.

EOFY is also a good time to reassess whether your insurance still reflects your operations. Has your business grown? Have you moved, added new services, or taken on more assets? If anything material

has changed, your policy may need to be updated.

This time of year can also coincide with insurance renewal dates. If your policies are coming up for renewal, it is a good opportunity to review limits, check your risk exposures, and consider whether any additional covers are now relevant based on how your business has evolved.

A conversation with your broker can help ensure your insurance supports both your business needs and tax reporting. They can provide updated schedules and certificates, assist with reconciliations, and identify areas that may benefit from review.

EOFY can be a busy time, but taking a few minutes to check your insurance documentation now can prevent issues later on and support a smoother tax process.

If you need updated documents or want to review your cover ahead of renewal, contact your broker today.

Flood cover: it's time to review your protection



In the first five months of 2025, Australia endured four major flood events across New South Wales, Queensland, Western Australia and South Australia.

In May, flooding in the Mid North Coast and Hunter Valley regions of NSW caused widespread damage and disruption. Queensland experienced several flood events between January and April, including severe storms in late January that led the Insurance Council of Australia to declare a “significant event” across parts of the north, including Townsville, Innisfail and Cardwell.

Cyclone Zelia brought significant flooding to Western Australia's Pilbara region in February, while South Australia faced severe storms and coastal flooding during May.

Now is a good time for businesses to take a closer look at their flood insurance.

Flood cover isn't always included in

standard commercial property policies, and policy wording can be difficult to interpret. Some businesses may have declined this cover in the past due to cost or because the risk seemed low. But with flood events becoming more frequent and severe, it's worth revisiting that decision.

Reviewing your policy can help clarify what's covered and whether any gaps have emerged due to updated flood mapping or changes in insurer terms. Flood risk can shift due to factors such as development, reclassified zones and changing climate patterns. Your cover should reflect these changes.

A broker can guide you through this process, helping to assess your property's flood exposure and identify suitable insurance options. They can also assist in comparing policies, not just on cost but on how flood is defined, what exclusions apply and how claims would

be handled in the event of a loss.

These details matter. A policy that appears to include flood cover may still leave you exposed if the definitions or limits don't align with your actual risk.

It's also worth noting that pricing for flood insurance can vary significantly, depending on risk assessments and broader market conditions. Reviewing your policy now – before further market tightening in response to recent events – may give you access to more favourable terms.

This year's floods serve as a clear reminder of how quickly conditions can change. Taking the time to review your flood cover now can help ensure your insurance reflects today's risk, not yesterday's assumptions.

If you're unsure about your current flood cover, now is the time to speak with us to clarify your position and explore options that better reflect your risk.

Cyber insurance trends for Australian businesses

After several years of steep premium increases and tighter underwriting, the Australian cyber insurance market is beginning to settle. But while conditions have stabilised, insurers remain cautious, and premiums are still closely tied to how well your business can demonstrate cyber readiness.

Cyber insurance remains an essential tool for managing risk, covering costs related to data breaches, ransomware, business interruption and legal liability. But as cyber threats evolve, insurers are looking more closely at how businesses manage their security.

Basic controls are now considered non-negotiable. These include multifactor authentication across all critical systems, regular data back-ups stored securely off site or in the cloud, and ongoing staff awareness training. Insurers are also expecting to see end-point protection,

patch management and formal incident response plans in place.

Businesses that can clearly show how they're managing these areas, backing it up with documentation, are in a better position to secure cover, negotiate pricing and avoid restrictive terms or exclusions.

Recent claims trends are also shaping how insurers assess risk. The rise in ransomware, business email compromise and social engineering has led to a more risk-based approach. Terms are now often tailored to the business' industry, size and internal controls.

Even with some softening in the market, capacity is still limited, especially for high-risk industries or businesses with outdated systems. That's why a proactive approach remains essential. Reviewing your IT controls, updating cyber policies and running simulated phishing exercises can

all help demonstrate that your business is taking cyber risk seriously.

If your renewal is coming up, gather evidence of your controls early. Documents such as penetration test results, training records and incident response logs help underwriters get a clear picture of your risk maturity. They can also help streamline the renewal process.

If your cyber insurance hasn't been reviewed in the past year, now is a good time to do so. Insurer appetite is shifting, and businesses that treat cyber as a board-level issue – rather than just an IT matter – are generally in a stronger position.

For guidance on how your business stacks up against current expectations and to learn how to strengthen your application, speak with your broker. A well-prepared submission can help you secure better terms and make a great difference when you need to claim.



Heating, hazards and fire risks in winter



As temperatures drop, many workplaces introduce additional heating or rely more heavily on existing systems. But winter conditions also bring an increased risk of fire – often due to hazards that can be easily overlooked.

Fire and Rescue NSW reports a 13% rise in residential fires during winter, and while the data focuses on homes, the warning extends to businesses. The same risks – faulty appliances, blocked vents, dust build-up and overburdened electrical systems – exist in commercial premises and can have far-reaching consequences.

Portable heaters, for example, are a common cause of fire. Used incorrectly or left unattended, they can ignite nearby materials or overload circuits. Dust build-up in machinery can also become a hazard, particularly in industrial environments. Blocked vents and clogged filters reduce air flow and place additional strain on heating systems. These small oversights are compounded by winter's extra demand

on electrical systems, increasing the likelihood of faults.

Insurers pay close attention to fire risks during colder months, especially in commercial premises with older wiring, portable heaters or limited fire safety protocols. That's why it's important to have prevention measures and documentation in place. Not just to reduce the risk of a fire but to support your position if you need to make a claim or renew your cover.

There are several practical steps businesses can take. Make sure all heating equipment is compliant, properly installed and not used with extension cords or power boards, which can easily overload circuits. Check for dust accumulation around machinery and ensure vents and filters are clean and unobstructed.

It's also a good time to revisit your fire safety protocols. Test smoke alarms, check fire extinguishers and review your emergency evacuation plan. If your layout has changed or you've had staff turnover,

update procedures and make sure your team is across them.

Lithium-ion battery safety is also a growing concern. Fire and Rescue NSW has already responded to more than 100 battery-related incidents in 2025, many involving e-bikes and similar devices. Businesses storing or charging battery-powered equipment should follow safe practices for charging and disposal.

Documentation can make a real difference. Keep records of maintenance, servicing and safety checks. These can help demonstrate proactive risk management and support a smoother claims process if something goes wrong.

If you're unsure whether your cover still reflects your fire exposure or if recent changes have introduced new risks, it's worth having a conversation with your broker.

A few well-timed checks now can help protect your people, your property, and your peace of mind this winter.



AFSL number: 238979

**McCormick
Harris**
INSURANCE

ADVICE • SOLUTIONS • SERVICE

Toll free: 1300 769 599
Sydney: 1300 769 599
Bendigo: 03 5438 1666
Melbourne: 03 8643 4333

Brisbane: 1300 769 599
Gold Coast: 1300 769 599
Orange: 1300 769 599

E: client.service@mhi.com.au | www.mccormickharris.com.au

For information on our Privacy Policy please head to our website: www.mccormickharris.com.au