



McCormick Harris

INSURANCE

ADVICE • SOLUTIONS • SERVICE

AUTUMN 2020

CLIENT NEWSLETTER

KEEP FAITH IN YOUR INSURANCE



Stay covered: insurance remains vital during tough times

Nobody is underestimating the impact of the COVID-19 outbreak on the SME businesses that are the heartbeat of the Australian economy.

And of course, hard decisions will have to be made by business owners across the nation as restrictions designed to slow transmission of the virus take a heavy toll on a range of different sectors.

This year's Vero SME Index found that as conditions worsen, more than a quarter of SMEs might consider reducing the amount of cover.

More worryingly, between 14% and 17% (depending on business size) say they would go without insurance altogether.

So let us be plain: This is not a time to cut back on cover. The risks that dog any business

have not gone away. Pretending you can reduce your outgoings and literally "self-insure" could turn out to be a terrible mistake.

While buying insurance direct from an insurer might appear tempting, you should consider what you're losing. The importance of the advice, knowledge and expertise that we offer as your general insurance broker is even more crucial in times like these, and if you're in the unhappy situation of having a claim, with our support you won't be spending time and effort dealing with often-stressful complexities.

So please, don't take any action regarding the way you might manage your future business risks without discussing the options with us. The important thing is to get your business through to the end of this

pandemic crisis, and insurance continues to play a crucial role in that.

The current emergency will end eventually, and you want to be in a position to take advantage of a return to favourable business conditions.

Natural catastrophes, crime and accidents don't stop during a pandemic, and you simply can't afford to leave yourself exposed.

Insurance is considered an essential service, and we will continue to work with insurers to manage claims through this period. As brokers, we have detailed knowledge of our clients' operations, and we can design the best cover to fit your unique needs.

We can help you assess all available options, and we'll be able to get you the best

possible cover at the best possible price. We can also help you to access special measures to ease the economic "pain" of the coronavirus emergency.

Many insurers are offering enhanced assistance for businesses facing financial hardship as a result of COVID-19, which could enable you to keep crucial cover in place. There are also initiatives relating to vacant premises and commercial fleets that are no longer on the road.

We will be able to assess your eligibility for such measures, and advise you on the best approach.

Let us help guide you through this crisis, and safely out the other side. It's an anxious time for all Australians, but it's our job to ensure you and your business remain secure and protected.



Vulnerable asset: take precautions to protect vacant premises

WORKING FROM HOME? HOW SECURE IS YOUR BUSINESS PREMISES?

The coronavirus outbreak has completely upended the business community, with many SMEs forced to operate remotely while their shops and offices remain empty indefinitely. Never has it been so critical to have premises safely secured.

The tough shutdown measures, aimed at slowing the community spread of the virus, are anticipated to last for six months, or longer if warranted. Everything is up in the air at the moment. It will all come down to whether or not governments at state and federal levels think the outbreak is completely quelled.

Like you, we are an SME business. For the thousands of other SME owners out there, no matter what kind of business they own, the next few months will be fraught with anxiety. It's already proving to be the most challenging period many of us have ever faced. On top of worrying about business cashflow, SMEs must also think about the security of their unoccupied premises.

So why is it important that premises are properly secured during prolonged shutdowns? Because the chances of break-in, vandalism or other malicious acts are often higher in such situations.

For example, if a property is unoccupied for an extended period it's the insured's duty to inform the insurer of the change, according to the duty of disclosure section in the Insurance Contracts Act.

However, you should be aware that insurers do provide full cover for empty premises over a stretch of 30 days before notification is required. A number of them also have policies that provide up to 100 days of cover depending on how the cover was set up.

Some insurers have also announced they will maintain full cover for SMEs during the enforced shutdown with no changes to premium, so please feel free to contact us to sort out your own particular circumstances.

We are only a call or an email away, and we can also look into what business protection you may need during this enforced shutdown. Every situation is subtly different.

In the meantime, there is a range of measures that you could undertake to protect your premises during this period. Here is a general checklist you could consider:

- Waste: Remove all external waste, pallets and empty skips. Empty all waste bins and relocate to a secure area, ideally at least 10 metres from the building. If this is not possible and bins and skips are within 10 metres, they should have lockable lids.
 - Fire systems: Ensure that any fire and/or sprinkler systems are fully operational. Carry out a check to ensure that internal fire doors are closed.
 - Utilities: Shut down any non-essential electrical devices and building utilities. Isolate nonessential services, gas valves etc.
 - Inspections: Where at all possible (and subject to government restrictions) try to implement periodic inspections of the building (internally and externally).
- Check to ensure physical security measures are in place – for example, that fences are in good repair, windows are locked, shutters are in place and gates are secured.
- Alarm: If you have an intruder alarm, make sure it's set and that remote signalling is in place.
 - Dangerous goods: If you have any dangerous goods on your premises, ensure they are kept secure in their usual storage place, and review the inventory levels, documentation etc.

And remember, you can call us anytime for advice and reassurance. These are strange times, and we're here to help you through them.

ARE YOU STILL LOOKING AFTER YOUR STAFF?

While there's ambitious talk about the end of this pandemic nightmare, it won't be business as usual for quite a while yet. And even when we all do eventually get back to work in our workplaces rather than from a home office, we can expect strict restrictions to remain in place to contain the coronavirus.

The disruption has been acute for SME owners and their employees, with many already working from home indefinitely. The next few months will no doubt be fraught with worries and anxieties for thousands of us as we wait for things to return to normal.

"Normal" is a word we are taking less for granted. Trying to run our businesses without very many certainties is tough, and we should remember that even in these difficult circumstances, insurance remains important for the future security of your business.

It isn't just about running a checklist of the standard covers for business interruption, property or even cyber. It goes way further than that.

Workers' compensation is an obvious area that warrants the attention of all SME proprietors who are still working. Not all schemes cover coronavirus. Even if your scheme does, it will only be under specific circumstances.

In New South Wales for example, the State Insurance Regulatory Authority says COVID-19 can be covered as a disease injury under Section 4 of the Workers' Compensation Act. This would apply in situations where an employee contracted the virus while on duty, and the work is found to be the main cause of it.

But there must be evidence to support the claim, such as proof that the nature of the work is a main factor. This is where it may be daunting for SME owners unfamiliar with the claims process. And that's where we come in.

Our advice is for SME clients to take the necessary preventive measures to reduce employees' exposure to the virus, and have all the necessary procedures and equipment in place to reduce the risk of transmission.

Employees' wellbeing while working remotely for extended periods of time is another area that merits attention. Hastily arranged DIY home office setups are not likely to be ergonomically friendly. There is also the aspect of mental health to consider. What is the impact on employees as they work in isolation?

We're an SME business, too, and like you we're trying to do our job the best way that we can. Insurance is regarded officially as an essential service, so we are here for you, ready and willing to help you through this period. Tell us your concerns about insurance and how it affects you and your employees and we will do all we can to sort it out with you.

**Remote control:
home workers must
not be forgotten**



CYBER CRIME - THE OTHER VIRAL THREAT

Danger: cyber crooks will target coronavirus fears

An apparent World Health Organisation (WHO) message offering coronavirus safety advice might seem like important information, but it's just one recent example of escalating cyber criminal activity sparked by the pandemic.

Cyber security vigilance has never been more important than in current circumstances as criminals seek to take advantage of changing working arrangements and demand for COVID-19 updates.

With more employees working from home as part of social distancing measures, risks are potentially greater if home IT systems are not adequately secured and kept up to date with the latest virus protection.

Many businesses are also not aware that insurance cover which applies to cyber breaches in the workplace may not extend to the home offices of their employees.

The Australian Competition and Consumer Commission's Scamwatch has received more than 100 reports of scams about COVID-19 over a three-month period as criminals take advantage of a situation

at the top of everyone's mind.

Scams such as phishing emails and phone calls have impersonated the WHO, Australia Post, government authorities and businesses such as telecommunication companies.

Fraudulent communications are also delivered via SMS, instant message and social media, and cyber experts warn criminal syndicates can be very convincing as they mimic professional phrasing, branding and logos.

They have also become more sophisticated in the use of malware, which can sit undetected on your system stealing data before any more obvious impact, such as harm to the computer or a ransom demand.

Issues particularly arise with employees working from home, where they often have multiple connected personal devices that may be vulnerable, while they remain in virtual communication with their workplace and customers.

The Australian Cyber Security Centre is advising organisations not to overlook the

safety of their IT systems as they focus on protecting the health of employees.

It advises that small and micro businesses should train staff in practicing good cyber security habits, ensure software is updated and promote the importance of physical security measures to minimise the risk information may be stolen from homes.

When it comes to insurance, cyber is a relatively new area of cover and policy wordings vary. Many SMEs have not seen it as a high priority, while others have been proactive in mitigating against a rising area of risk.

For those firms with a cyber policy, now's the time to take another look at the details and level of cover, including whether it will respond if problems are caused through an employee using their own computer or other device at home.

Of course, we are available at any time to provide advice, so check in with us so you know your potential exposure when it comes to cyber threats – particularly as changing circumstances offer a new way for criminals to attack your business.



**McCormick
Harris**
INSURANCE

Toll free: 1300 769 599
Bendigo: 03 5438 1666
Melbourne: 03 8643 4333
Geelong: 03 5249 6444

Brisbane: 07 3367 8318
Gold Coast: 07 3367 8318
Sydney: 02 9543 7599
Orange: 02 6361 7227

AFSL number: 238979

ADVICE • SOLUTIONS • SERVICE

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