



Renewal Checklist

This checklist is best used every year, around 60 days prior to the renewal of your commercial insurance policies. Ideally, you should meet face-to-face with your insurance adviser so you have a thorough understanding of the various insurance policy covers, terms, conditions and limitations.

Please note, this checklist does not cover every situation for every business. It has been prepared as a good starting point to prompt you to consider the major items. Remember, an insurance adviser is as important to a business as their lawyer or accountant. As such, everything you advise your lawyer and accountant, you should advise to your insurance adviser.

GENERAL INSURANCE CHECKLIST

CHANGES IN THE RISK

As explained in Chapter 7 of Part A of the publication titled *'It May Happen To Me! The Essential Guide to General Insurance'* (available via LMI Group), insurance is based on the principle of utmost good faith between the parties. It is important that any changes in the risk be notified to your insurers via your insurance adviser. Please consider the following, since your last policy period:

1. Has the name of your business changed?

Yes No

If 'yes', what is the new name? _____

2. Have you added or disposed of any business entities?

Yes No

If 'yes', what has changed? _____

3. Has your mailing or any physical addresses changed?

Yes No

If 'yes', what has changed? _____

4. Has the nature of your business changed?

Yes No

If 'yes', how has it changed? _____

GENERAL INSURANCE CHECKLIST

PROPERTY INSURANCE

Protection for the tangible assets of the business against fire and other insurable perils. Please consider the following, since your last policy renewal:

5. If you own or are responsible for insuring the building, have you reviewed the replacement value of the building?

Yes No

If 'yes', what is the current replacement value? \$ _____

Include the value of engineer's and architect's fees. Remember the cost of construction has increased at a greater rate than inflation. (For further information, review Chapter 7 in Part A of the publication titled 'It May Happen To Me! The Essential Guide to General Insurance', available via LMI Group. Australian business owners can use the free iPhone or iPad building cost estimator available in the Apple Apps Store (search for LMI Group).

If 'no', speak with your insurance adviser.

6. Have you conducted a thorough review of the value of your machinery and plant; tenant's fixtures and fittings; office equipment; and stock including raw materials, work in process and finished goods; and customers' goods?

Yes No

If 'yes', what are the current values for the following:

Machinery & Plant: \$ _____ Tenant's Fixtures & Fittings: \$ _____

Office Equipment: \$ _____ Stock: \$ _____

Customers' Goods: \$ _____

If 'no', speak with your insurance adviser.

7. Have you reviewed your policy sub-limits for removal of debris; extra costs to comply with changes to the building code, theft, and others? If no, speak with your insurance adviser

Yes No

If 'no', speak with your insurance adviser.

8. Have you reviewed the range of perils that your policy provides protection against, including accidental damage, flood, machinery breakdown and others?

Yes No

If 'no', speak with your insurance adviser.

9. Have you added or removed any security, alarms, bars, security systems or the like?

Yes No

If 'yes', advise your insurance adviser.

GENERAL INSURANCE CHECKLIST

BUSINESS INTERRUPTION

Protection against a disruption to the business, due to a reduction in turnover or an increase in the expenses of the business at the business location (situation), caused by an insured peril. Please consider the following, since the last policy renewal:

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|-----|---|
| 10. | <p>Has your business turnover and/or your total business expenses changed?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If 'yes', then you may no longer be fully insured for business interruption insurance. Be sure to advise your insurance adviser of the changes.</p> |
| 11. | <p>Do you expect your business to grow over the next 2 years?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If 'yes', advise your insurance adviser of the expected growth rate(s).</p> |
| 12. | <p>Has your dependency on any one customer or supplier, including ones from overseas, changed in the past 12 months and/or is it likely to change moving forward?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If 'yes', then you may no longer be fully insured for business interruption insurance. Be sure to advise your insurance adviser of the changes.</p> |

COMMERCIAL GENERAL LIABILITY (*PUBLIC & PRODUCTS LIABILITY*)

Protection where the insured business is found to be legally liable for bodily injury or property damage occurring during the period of insurance. Please consider the following, since the last policy renewal:

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|-----|--|
| 13. | <p>Has there been any significant changes to your business operations? For example, have you started selling any new products or providing any new services? Have you added staff or increased your payroll costs?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If 'yes', advise your insurance adviser of the changes.</p> |
| 14. | <p>Have you changed or taken on new leases?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If 'yes', advise your insurance adviser of the changes.</p> |
| 15. | <p>Have you changed or taken on any new contracts? Do any of these contracts provide an indemnity or hold harmless clause, and/or agreement to pay contractual fines or penalties if you are unable to fulfil the terms of the contract? Signing any such contract may invoke a policy exclusion in your liability policy. While contractual, some fines and penalties are able to be insured under your business interruption program.</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If 'yes', advise your insurance adviser of all of the changes.</p> |
| 16. | <p>Have you reviewed the limits of liability provided by your liability program?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If 'no', discuss the adequacy of the limits with your insurance adviser.</p> |

GENERAL INSURANCE CHECKLIST

COMMERCIAL MOTOR

Commercial motor insurance provides protection from losses resulting from owning and/or operating a motor vehicle(s). The insurance covers losses to your vehicle(s) and loss for which you are found liable as a result of your owning or operating the vehicle(s). Please consider the following, since the last renewal:

17. Have you added or deleted any vehicle from your fleet?

Yes No

If 'yes', advise your insurance adviser of the changes.

18. Has the use or radius of operation changed on any of your vehicles?

Yes No

If 'yes', advise your insurance adviser of the changes.

19. Are you considering, or have you hired, new drivers for your business?

Yes No

If 'yes', have you checked that person's licence is in order and appropriate for the vehicle(s) under their control? Have you verified that the person's driving record meets your company standards? Discuss with your insurance adviser.

20. Have you reviewed the current limits of liability on your policy to see if you are carrying high enough limits should you be brought into litigation due to you or your employee's legal liability? This includes limits for clean-up of hazardous chemicals.

Yes No

If 'yes', advise your insurance adviser of any required changes.

21. Have you reviewed your deductibles under the policy?

Yes No

If 'yes', advise your insurance adviser of any desired changes.

22. Do you allow your employees to use your personal vehicle for business use?

Yes No

If 'yes', please discuss the ramifications with your insurance adviser.

WORKERS COMPENSATION

Insurance that pays for medical care and physical rehabilitation of injured workers and helps to replace lost wages while they are unable to work. State laws, which vary significantly, govern the amount of benefits paid and other compensation provisions. Please consider the following, since the last renewal:

23. Has your payroll changed over the course of the last policy period?

Yes No

If 'yes', notify your insurer or, if you use your insurance adviser for this class of insurance, advise them.

24. Has your operation or business changed?

Yes No

If 'yes', you may need to reallocate payroll into different classifications that better represent the change in operations.

GENERAL INSURANCE CHECKLIST

MISCELLANEOUS INSURANCE COVERAGE

The following covers are ones that you should discuss with your insurance adviser to determine if (a) you already have the coverage, or (b) you need to consider the cover to fully protect your business.

25. **Management Liability/Employment Practices Liability**
 These covers provide protection against statutory liabilities that your public and products liability insurance does not. EPL covers against claims by workers where they claim that their legal rights as employees of the company have been violated.

Do you have employees? Has your payroll changed over the course of the last policy period?

Yes No

If yes, please discuss with your insurance adviser

26. **Electronic Breakdown**
 Cover for machinery and/or electronic breakdown, spoilage of stock, loss of electronic data.

Do you have machines or electronic equipment?

Yes No

If yes, please discuss this important cover with your insurance adviser. If you have the cover, please check the quality of the cover and the adequacy of the sums insured

27. **Employee Fraud**
 Protection against dishonesty by employees, including theft of stock and cash.

Do you employees that have access to cash or stock?

Yes No

If yes, please discuss with your insurance adviser.

28. **Professional Indemnity/Errors & Omissions**
 A professional indemnity policy protects you for negligent acts and omissions that may harm your clients and others that may have relied on your advice.

Do you provide advice for a fee? Are you required to have this cover under any contract?

Yes No

If yes, please discuss with your insurance adviser.

29. **Marine Transit**
 Protects against transit risks both internationally and nationally.

Do you ship or receive goods?

Yes No

If yes, please discuss with your insurance adviser.

30. **Other Insurances/Questions**
 Record any questions or points you wish to discuss with your insurance adviser when you next meet.

NOTE: This checklist is not, nor is it intended to be, a complete list of the protection offered by insurance providers. This checklist is a guide only and should be used as such in conjunction with the information contained in *It May Happen to Me! The Essential Guide to General Insurance*. It is vitally important that you review your insurance policies with your insurance adviser to determine if you will have adequate insurance at the time of loss.