

Insurance Explained



Insurance for Small Creative Organisations and Creative Sole Traders

Working out what insurance you need for your creative organisation, business or sole trader operations can be confusing. GSA Insurance Brokers have provided some tips to help. Not all the below policies are available with RAV membership, we have indicated which ones we include in our Insurance Program.



Public & Products Liability

Public Liability insurance provides protection for you and your business in the event a Third Party Person/Entity (customer, supplier or member of the public) brings a claim against you due to them being injured or sustaining property damage as a result of your negligent business activities. Most Public Liability policies also extend to Product Liability if you sell, supply or deliver goods.

Australia has become a very litigious environment and access to legal advice has never been easier. Therefore, Public and Product Liability insurance protects you from the financial burden of claim costs, including any legal and investigation fees. Sometimes Public Liability insurance is a requirement of a contract arrangement, such as a commercial lease, or when tendering for contracts.

What is not covered?

- Personal injuries to you or your employees
- Damage to your own property
- Faulty workmanship
- Professional negligence and unlawful activity
- Any event preceding the inception of the policy

How is the premium calculated?

- Based on your business activities and your gross income
- Previous claims
- Steps you have to take to ensure the risk of injury and damage is minimised

**This insurance
is available
with RAV
Membership**

Professional Indemnity

Professional Indemnity insurance covers the costs associated with allegations of negligence in services or advice provided in the performance of your professional services. This includes legal defence costs, compensation/damages awarded to a claimant, public relations costs. Generally, Professional Indemnity covers you to practice Australia wide and for multiple employers. It is not locked to one location or place of employment.

Professional Indemnity policies are 'Claims Made' in nature. This means that you must have a policy in place at the time you are notified of an impending claim against yourself or business.

How is the premium calculated?

- Based on your profession and services being provided/advice given
- Fees charged for these services
- Limit of Indemnity selected
- Number of employees



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Property Cover – Building, Contents and Stock

Business Insurance can provide cover for your business' premises and contents, against loss, damage or theft. Small businesses can opt for a package policy called a 'business pack' and personalise the coverage that suits them, including;

- Building
- Contents
- Stock
- Theft
- Money (cash)
- Public Liability (further explained above)
- Business Interruption (further explained below)

How is the premium calculated?

For property damage, insurers require significant amount of information about the building you operate from including construction information, security and fire protection. Following that, the main components of premium are;

- Sums insured
- Chosen excess level
- Previous claims

What is not covered?

- Flood (pending location of your business, based on acceptance)
- Contents/Stock removed from the business premises (see General Property insurance)

It's imperative to understand that commercial property policies contain an 'average clause' or 'under-insurance clause', which means if you insure for less than the full value of the property, contents or stock, a claim can be reduced in proportion to the amount of the under-insurance. Business owners that do not want to insure their full values can opt for a higher excess/deductible.

General Property

This type of policy, which can be included in a 'Business Pack' covers items whilst they are away from your usual place of business for both property damage and theft. The most common coverage is for mobile electronics (e.g. Phones and laptops), tools and equipment. You can opt for 'unspecified' cover where individual items cannot exceed \$3k in value, or a 'specified' cover where items are individually listed with their sum insured and corresponding serial number.

Worldwide coverage can be provided which is an excellent option for trips domestically and internationally.

How is the premium calculated?

- The total sum insured for 'unspecified' cover
- Individual sum insured and serial number for 'specified' cover

What is not covered?

- Wear and tear claims
- Intentional claims
- Mechanical faults

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Business Interruption (BI)

Businesses and sole traders often prepare for unexpected events insuring their premises contents and stock. But if a significant property loss was to occur, business owners need to consider how quickly can they return to 'business as usual' and to what cost.

BI provides protection for your loss of income and payroll expenses if you have suffered a property loss and cannot operate for a period of time, as well as increased costs of reopening. It essentially allows you to focus on rebuilding your business back to where it was, without the financial burden and worry of the ongoing lost income.

How is the premium calculated?

- The chosen coverage of Gross Profit/Gross Revenue/Loss of Rental Income
- Location of your business operations
- Chosen indemnity period (6, 12, 18, 24 months as required)
- Previous claims

What is not covered?

- BI cover can only be purchased in conjunction with Property cover (building, contents or stock), as a property damage claim must occur first before the BI coverage will kick in
- Undocumented income
- Loss of physical cash
- Losses due to labour strikes or changes in legislation
- Voluntary closures
- Losses due to equipment breakdown

Cyber Liability Insurance

Cyber Insurance is designed to provide protection for the exposures an individual or business faces when using online systems. This includes: the internet, email, websites, computer programs, point of sale and online banking/invoicing, as well as when storing private information or personally identifiable information about clients. A typical Cyber policy will cover:

- Third Party Claims: From failure to keep data secure, including claims for compensation, investigations, payment of fines and penalties in addition to defence costs and legal representation.
- Business Interruption: Reimbursement for lost profits, as well as necessary expenses incurred to maintain operation of the business as a result of the interruption.
- Remediation Costs: Reimbursement of the Insureds own costs including cyber extortion (ransomware), data restoration, forensic, notification and public relations costs, and legal representation expenses.

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Personal Accident

If you are operating as a sole trader, Workers Compensation insurance is not available to you. In order to protect yourself, Personal Accident Insurance is a way of providing yourself with a source of 'Income Protection' in the event of sickness or illness. Policy benefits include a weekly benefit/payment up to a max. of 104 weeks, Lump Sum payments for accidental death or permanent disability and coverage can be extended worldwide.

As pre-existing conditions that cause or relate to an injury or illness will not be insured under new policies, we encourage business owners to seek coverage early to ensure they are adequately protected.

How is the premium calculated?

- The chosen level of coverage (i.e. Weekly income and length of benefit period)
- Age, occupation, high risk sporting or activity participation (e.g. Motorcycling)
- Current medical conditions, health status or previous injuries
- Previous claims

What is not covered?

While all policies are slightly different, as a general rule you can expect the policy to exclude the below. Illness or injury arising out of:

- Criminal or illegal acts committed by you
- Under the influence of drugs or alcohol
- Intentional, deliberate or self-inflicted by you
- Pre-existing conditions

Voluntary Workers

Volunteer Workers Insurance (also known as Volunteers Personal Accident Insurance or Volunteer Accident Insurance) protects your volunteers if they are injured while undertaking voluntary work on your behalf.

Depending on the options chosen, Voluntary Workers Insurance can provide cover for:

- Accidental Death and Disablement
- Domestic Home Help
- Weekly Injury Benefit
- Non-Medicare Medical Expenses

If your association hosts any events where volunteers are used, or any of your committee members are not paid, this cover is recommended.

This insurance is available with RAV Membership

[Email Membership](#)

[Membership Dashboard](#)

Call: 1300 882 531

