

Why Risk Management is an important discipline for your Complementary Health business



Risk Management is important to your business success. Knowing your risks will help you identify the right insurance cover to mitigate costs and therefore protect your business against loss, damage, business interruption, employee liability, general liability and even Cyber-attack. Having inadequate insurance may cause large, unexpected expenses or, worst case, restrict or cease you from operating.

Risk management involves four key parts:

1. **Identifying the risks.** Some risks are major, and others are not. Identifying potential risks to your business can be a challenge. Start by asking the question - What if...? What could go wrong? A whiteboard session might assist to list all risks then classifying them in terms of high, medium, low risks.
2. **Assess your identified risks.** What is the likelihood (low, medium, high), the risk will affect my business and how? What are the consequences to the business? These consequences may not only be cost related.
3. **Put controls in place by developing a strategy to address your identified risks.** Develop a cost-effective plan which records the details of the causes, consequences and alternative options including:
 - Avoid the risks - is it possible to avoid the risk, but still achieve the goal(s)?
 - Reduce the risks - is it possible to reduce the risks if you cannot avoid them?
 - Transfer the risk - Can the risks be transferred to another party? A prime example would be by insuring the risks.

With some risks you may find that there is nothing you can do but to accept them.

4. **Regularly review your Risk Management Plan** - go through the risk cycle again, some new risks may have arisen, others increased, others reduced.

You don't know what you don't know. For example, you might not know that the power supply to your Complementary Health manufacturing warehouse is routed via the next-door warehouse so that any disruption to next door's power supply will result in a power failure at your premises, severely interrupting your production activity.

Business owners need help to identify significant risks which may not be obvious. An insurance professional, such as an Insurance Broker, deals with risk analysis and risk mitigation on a daily basis with their clients and is therefore well placed to advise and assist you.

One of the most important ways to protect your business against a significant loss is having a tailored insurance program in place. An experienced Insurance Broker who understands your industry can provide the professional advice you need to arrange the right policy covers for you.

So, what are the type of insurance covers I might require for my Business?

Business Insurance for example can be divided into three categories

Assets & Revenue Insurance	Building & Contents Glass breakage Fire Machinery & Equipment breakdown Goods in transit Motor Vehicle Money Theft Business interruption General Property Cyber insurance
Liability Insurance	Public liability & Product Liability Professional Indemnity/Medical Malpractice
Personal & Workers Insurance	Workers Compensation insurance Income protection Personal Accident, Illness insurance

The cost of insurance can be minimal when compared to the consequences of the unexpected. If you are unsure about your current coverage, or you are a start-up and need a professional advisor to review your policy or risk, please contact the friendly team at IME Insurance Brokers - Insurance Made Easy for personal assistance to discuss your own individual circumstances **1800 641 260** or visit us at www.imeinsurance.com.au



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