

CHECKLIST FOR BUSINESS INSURANCE

- Allistar Walker

Ever wondered what might happen if you as a business owner didn't know all your risks and got caught out? Below I have listed 13 questions to ask yourself. Each of these questions could be a reason to review your insurance needs. A good broker will no doubt have covered these issues with you, but a little insurance 'health' check does no harm and could save you heaps if the unforeseen should happen.

1. Have you given personal guarantees for any loans or overdrafts either you or your business may have? Yes/No
2. Do you understand the ramifications of these were you to die prematurely or become totally disabled? Yes/No
3. If your business suddenly ceased to be profitable, would your creditors be pressuring you for quick settlement? Yes/No
4. Have you got a current list of important personal and business papers and does your spouse or executor know their location? Yes/No
5. If you were to die, does your spouse have a full understanding of what would need to be done in the business and in handling your personal assets? Yes/No
6. Do you have a life insurance programme which will adequately cover your business liabilities and any guarantor liabilities should you die? Yes/No
7. In addition to the above, does your life insurance programme provide a sufficient lump sum, which if invested, will adequately cover your family's income needs if you were to die prematurely? Yes/No
8. Were you to die prematurely, would adequate funds be available to guarantee your estate would receive a fair market value for your business interests? Yes/No
9. If you have a buy and sell agreement, have you also a plan to provide the cash required? Yes/No
10. If you were unable to work for a prolonged period have you got a good understanding of what income you would need during that period? Yes/No
11. In the event of your being disabled for a prolonged period have you got a good understanding of what income you would need during that period? Yes/No
12. Do you and your business partner(s) have any protection in place to provide cash in the event of suffering a major critical illness? (And being unable to work at the same capacity as now) Yes/No
13. Should the business lose a key employee, has any potential loss to cash flow or profits been recognised and adequately allowed for? Yes/No

Allistar Walker is an accredited Life Broker and Mortgage Broker. Disclosure and assistance is available at www.insurancehelp.co.nz or by ringing 0800 005 066