

By Erin Mitchell

a spanner in the **works**



Take a moment to think about all the machinery and electronic equipment your café is reliant on. Does your list include fridges, freezers, cake displays, ovens, cash registers and air conditioners?

The list could go on – coffee machines and grinders, toasters and sandwich makers. What impact would it have on your business if one of these items broke down? It is safe to say that the business is going to suffer a loss with the costs to repair or replace the damaged part. However, wouldn't it be true to also say that the business would suffer from a reduction in turnover whilst that important piece of equipment was out of action?

Machinery and electronic breakdown claims are fast becoming one of the most costly losses that a café will face. The costs add up with the replacement part, loss of income as a result of out of action equipment, possible costs to hire a replacement whilst your equipment is being repaired, spoilage of any refrigerated goods ... not to mention your sleepless nights. It is therefore very important that café owners take all precautionary methods necessary to limit their own exposures to such losses.

To avoid these uncomfortable costs, café owners should set up periodical service and maintenance programs for their equipment. Maintenance programs save you cash, headaches and extra worries in the long term, by eliminating potential losses and by increasing the life span of a machine. Maintenance programs should correctly remove the build up of grime that gets inside the parts of every machine. This the number one cause of breakdowns. Maintenance programs are also designed to re-lubricate required parts and detect early signs of deterioration (or wear and tear), ensuring that early stage repairs can be completed before it becomes too late!

But what happens when the maintenance programs are in place and the breakdown occurs? One can look to insure against this event. Most available business or commercial policies on the market will provide you with the option to insure your machinery and/or your electronic equipment. Each policy will vary in how they offer the cover. Some policies will provide a blanket cover for all your equipment, while other policies will require you to specify each item of machinery and electronic equipment needing coverage. Remembering this may also need to be updated during the policy period, if you change or purchase new equipment whilst a policy is enforced.

Machinery Breakdown insurance will provide you with 'sudden and unforeseen' loss on the equipment you have selected to insure (or on all your equipment if you have a blanket cover). As the policy specifies 'sudden and unforeseen' - meaning losses that you suffer must be both sudden (happening without warning, not gradual), and unforeseen (unexpected, unpredictable) in order for a claim to be paid. Losses resulting from wear and tear, general old age, overuse, and poorly maintained equipment are not considered sudden or unforeseen, and therefore would not be covered. A good maintenance program will usually eliminate the doubt of whether the damage was sudden and unforeseen.

As insurance policies vary significantly across insurers, it is essential to check that your current covers meets your needs, with a qualified insurance advisor.

Erin Mitchell

Bruce Insurance – Café Insurance Specialists
www.bruce.com.au



Smart Choice in Business Insurance

- 20 years insuring cafés and coffee shops
- Lloyds of London underwriter
- Instant quotes
- Pay monthly
- Unique coverage plus standard provisions:
 - > \$20,000 cash
 - > \$20,000 burglary
 - > Any glass incident
 - > Accidental damage for all contents
 - > Machinery breakdown up to \$250,000


bruce
INSURANCE
Good to Know

1300 210 098

www.bruce.com.au