

Insuring your practice against business interruptions

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Any disruption to a business's operations will hurt its sustainability. For medical professionals, this risk is even more acute because a shutdown of operations could, in extreme cases, be a matter of life and death.



Image source: Getty/Gallo

Apart from medical equipment not operating as it should, the lack of power could endanger the careful conditions under which medicines or life-saving drugs need to be stored.

Thus, the damage extends beyond the business's viability to the practitioner's credibility and reputation. Medical practitioners should therefore consider additional options for the medical industry to cover all eventualities outside of their standard business insurance. Anyone operating a private practice appreciates the risks to their business if they are not able to operate effectively.

Insurance can, therefore, be secured to cover costs such as fixed expenses like salaries and rent that would still need to be paid for irrespective of whether income is still being generated. Similarly, unforeseen expenses like alternative premises or overtime costs for staff can be covered if normal operations are impacted by business interruption.

Extreme external interruptions - such as an unforeseen loss of power, water or sanitation services, lack of access to the premises and even damage to the premises of a supplier or sub-contractor which prevents them from delivering products or

supplying services, can also be covered.

Business insurance must be designed to remove the threat to business continuity and profits. It makes business sense to prepare for a worst-case scenario by ensuring that business operations are protected against such threats.

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