

# Risk Hazard Report

Coffee Houses, Shops, and Bars



**Section 1.0**

## Introduction to Steadfast iProfileRisk

---

### Steadfast Risk Group's Framework

#### What is iProfileRisk?

#### Objective of this report

**Section 2.0**

## Risk Hazard Summary

**Section 2.1**

## Risk Hazard Detailed Descriptions

**Important Notice**

iProfileRisk is provided by Steadfast Risk Group Pty Ltd ABN 24 104 693 183.

This report includes information from you and other sources we believe to be correct. The advice in our report relies on this information.

If any of the information is wrong or incomplete, this may affect our advice. Please tell us immediately of any errors or omissions in this information either from you or to your knowledge from other sources.

iProfileRisk hazard ratings are linked to specific industries. These ratings are our opinion after collaboration with recognised data organisations in the insurance industry.

This report is for you only. We do not accept any duty of care to an insurer or other third party for this report.

Our maximum liability for any errors or omissions in our report is \$1 million AUD.

Carbon Insurance Brokers is an Authorised Representative of The Trustee for THE APOLLO UNIT TRUST ABN 60 367 225 615 AFSL 403727

## Introduction to Steadfast iProfileRisk

### Steadfast Risk Group's Framework

Steadfast offers an end-to-end risk framework for brokers and their clients based on the internationally recognised ISO 31000 standard.

Steadfast Risk Group provides a spectrum of in-house services and solutions ranging from enterprise risk management, risk and natural catastrophe hazard identification, property engineering consultation/services and alternative risk transfer.

Framework diagram



### What is iProfileRisk?

iProfileRisk is a data driven and online accessible platform aimed at simplifying risk hazard identification and providing natural catastrophe high level summaries for brokers and their clients.

It empowers proactive risk identification and risk centred conversations between brokers and their clients, through enabling data driven risk decisions and mature financial acumen for insurance risk considerations.

### Objective of this report

Utilising iProfileRisk in conjunction with other Steadfast Risk Group offerings enables easy identification of the most prominent risks impacting an industry and SwissRe's natural catastrophe summary for a specific location.

# Risk Hazard Summary

Identifying hazards in the workplace involves finding things and situations that could potentially cause harm to the organization. The following chart is a graphical representation of the likelihood and severity of a loss occurring within any of the classes of insurance listed in the chart.

## YOUR SEARCH RESULTS

### Risk Hazard rating



## RISK HAZARD DETAILED DESCRIPTIONS

---



### Business Interruption

**Medium risk: 6/10**

Loss of insured's premises, equipment or tools creates a business interruption as they are important to everyday operations.

Loss of insured's premises, equipment or tools creates a business interruption as they are important to everyday operations. Vehicles are generally not covered by property or business interruption insurance, though nonetheless may interfere with operations in the event of a loss. Exposure is assessed as moderate due to the specialised but not niche nature of the equipment used and likely premises location. Damage during peak operation seasons could have significant financial impacts on the business. Industries in this category can have more specialised equipment and facilities, carrying higher exposures than non-specialised industries, as machinery can take time to replace and install. Additionally, the location of alternative facilities may not be easily sourced. In some cases, rebuilding may be more practical than complete relocation. Loss of income from machinery breakdown and further loss from replacing machinery may be considerable. Manufacturers need to consider stock losses as a result of business interruption, affecting their ability to recover. Furthermore, contractors may not have permanent professional premises, which reduces property interruption. Industries with high levels of competition need to consider retention of reputation through expert service, following a loss. For example, businesses may need to consider that clientele may have found other preferences for the same service during the time of renovation or relocation. Avoiding loss of records can be managed with solid backup and storage practices. Extra time may be required to rebuild client rapport. The insured should consider strong contingency plans to account for business interruption potential.



## Cyber Insurance

**Medium risk: 6/10**

Risk of cyber threats, hacks and compromise of IT related breaches are considerable.

Risk of cyber threats, hacks and compromise of IT related breaches are considerable. Nature of work is overwhelmingly dependent on IT and/or cloud platforms and systems with copious amounts of insured and client sensitive data is stored.

- Data breach: through electronic devices connected to insured networks. Access to confidential information through human error, lost devices etc.
- External cyber attacks through internal system vulnerabilities/negligence or deliberate acts or external attacks
- Electronic data/software loss/ replacement cost following a cyber attack
- Business interruption/increased in cost of working following a cyber-attack;
- Businesses held to ransom before systems are released;
- Cyber-threat from interconnected supply chain business partners/outsourced services providers;
- Internal control and other issues – e.g. non-segregation of sensitive data, inadequate user access control/password protection, outdated POS software applications, absence of up to date antivirus software/firewalls, unencrypted data/information/lack of end-to-end encryption;
- Possible presence of older devices/computer systems with outdated operating systems and unsupported software;
- Inadequate training for employees on data security/privacy/cyber risk. No or inadequate background checks conducted on employees/various service providers/suppliers etc.;
- Compliance and control issues - possible lapses on policies, procedures and protocols on cyber security and related matters (if applicable);
- Cyber threat relating to - Bring your own devices, download and install personal, or unauthorised software, use of USB or other media devices etc;
- Extra expenses following a cyber incident including forensic investigation costs, crisis management expenses, notification and monitoring expenses, remediation/other extra expenses;
- Brand and reputational damage following a cyber-attack/data breach;
- Security lapses in company web-sites – cyber threat to own hardware and software; cyber threat to visitors of the website;
- Lack of security measures including a combination of technology (e.g. IT security) and physical security at the premises;



## Directors' and Officers' Liability/Management Liability

Medium risk: 6/10

There is moderate risk exposure.

There is moderate risk exposure. Ensuring the integrity and trust of board members and senior management is crucial, with any personal interests declared and considered when appointing and maintaining their positions. The insured may have administrators that directly influence or control business operations and strategy. There may be increased exposure to claims of alleged wrongful acts, especially as services and business operations conducted may be in industries with higher government or regulatory scrutiny. It is important for businesses and management to clearly document and train all employees on expected responsibilities on a continual basis, especially in regards to workplace safety, expected workplace culture and legal business conduct. There may be increased risk exposure depending on size and scale of businesses. Some examples of claims that may arise include discrimination, insider trading or sexual harassment claims.



## Property

Medium risk: 6/10

Physical premises vary in replaceability, subject to appropriate alternative spaces to conduct business operations.

Physical premises vary in replaceability, subject to appropriate alternative spaces to conduct business operations. Therefore, exposure is moderate. For unspecialised industries, alternative premises are easier to locate. For more specialised industries or manufacturing plants, it may be difficult and cause further operational losses. However, some industries may not require immediate relocation when work is mobile. Alternatively, spaces may be large enough for the business to conduct operations in a different portion of the property safely. Losses vary according to operations. For example, farming operations may be affected for one season of business, whereas offices or studios will be affected by relocation time and the ability to obtain new premises. Furthermore, loss of reputation may occur during the relocation and setup process. Exposures that lead to property damage include malfunctioning equipment, faulty electrical wires and smoking hazards. Damage may incur to displays, furniture, office furnishings, technological equipment, debris, waste and important documents. Valuable equipment and/or items may also be damaged. Fire is a common cause of property loss. Reducing fire hazards should be managed by ensuring that equipment does not overheat, that wires and cables are safe and detangled, and that any combustible materials are not kept near ignition sources. No smoking signs should be installed on the premises, with designated areas kept away from equipment and fire hazards. Premises with kitchen equipment carry further ignition sources, including stoves, microwaves, ovens, grills, etc. Natural weather disasters (e.g. flooding) may also cause significant property damage.



## Crime

**Medium risk: 5/10**

The main source of loss is cash, tools or equipment.

The main source of loss is cash, tools or equipment. Businesses may also be affected by confidential documents and client information being stolen, exposing sensitive information. Invoices will be paid by cheque or direct debit, and the processing of claims are handled digitally, reducing cash kept on premises. Operations with larger premises may not be able to track instances of crime as easily, for example, large parks or gardens. For businesses located on busy thoroughfares, they should consider stricter cash storing and handling practices. Tools and equipment may be expensive and take time to replace. Open-air equipment may be more easily stolen, so storing essential equipment in a secure facility would be beneficial. Employee fidelity could be an exposure managed through careful staff selection procedures.



## General Liability: Premises and Operations

**Medium risk: 5/10**

Depending on the size and location of the operation, in most cases, public liability is moderate.

Depending on the size and location of the operation, in most cases, public liability is moderate. This liability is due to the consistent flow of visitors to the premises in small to medium numbers. Events where larger quantities of visitors may be present include training programs, meetings, or seminars, the average number of visitors and frequency of those events may need to be taken into account. Many businesses in this industry will have scheduled appointments and regular clientele, which assists in managing the risk. Risks may include slipping and falling hazards, office, lab, and field risks, which should be assessed according to the industry.



## Workers' Compensation/ Employers' Liability

**Medium risk: 5/10**

Depending on the size of the operation, there is reasonably moderate exposure.

Depending on the size of the operation, there is reasonably moderate exposure. The nature of work engaged in by these industries may include exposure of employees to office, technology, manufacturing, and labour intensive hazards. Workers may need to drive company-owned vehicles, carrying exposure in the case of a road accident. These hazards are best managed by appropriate employee training to avoid injuries, guidance in client management when on-premises, and good hygiene practices. Technology and machines associated with the business must be appropriately set up to avoid further exposures. For industries requiring manual labour, muscular or skeletal issues from excessive strain may arise, incurring rehabilitation costs, particularly if the employee is no longer able to work as a result of injuries. In manufacturing industries, machinery and equipment may be very hazardous to operate, so clear instructions should be given and strong preventative measures employed to avoid serious injury.





## General Liability: Products - Completed Operations

**Medium risk: 4/10**

Industries in this category are often trade, services, hospitality and manufacturing-based with a tendency for moderate product liability exposure.

Industries in this category are often trade, services, hospitality and manufacturing-based with a tendency for moderate product liability exposure. Main exposures relate to third parties, including suppliers, contractors, and subcontractors. For example, construction contractors may become liable for property damage that occurs after their service is provided. Improper or inadequate assembly of equipment or machinery may incur an exposure as repairs are often costly. Services that provide food or beverages should consider the supply chain and carefully select suppliers to mitigate the likelihood of an exposure. Insuring this risk would be beneficial to cover any claims against the insured while maintaining the business's financial stability.



## Automobile Liability

**Low risk: 3/10**

Motor exposure in this category varies depending on the size of the operation and its nature.

Motor exposure in this category varies depending on the size of the operation and its nature. Larger operations that own vehicles for pick-ups and delivery have increased exposure. Many larger operations in this category may own a van or fleet of vehicles, carrying exposure. Some vehicles may carry heavy equipment, e.g. kitchen equipment or machinery, and the risks associated must be considered. Vehicles generally used for short-distance transport carry lower risks than those used for long-distance transport of passengers, services in case of emergency, or equipment. The use of employee vehicles could create indirect liability exposure.



## Inland Marine

**Low risk: 3/10**

Limited exposure as transportation of goods is not generally required, and for incoming goods, suppliers may be responsible for supply chain logistics.

Limited exposure as transportation of goods is not generally required, and for incoming goods, suppliers may be responsible for supply chain logistics. For new machinery, equipment, and/or supplies, the main issues are from handling goods (including water damage, insufficient packaging, rough handling), although these exposures tend to be minimal.



**Carbon Insurance Brokers**

24 Hasler Road  
OSBORNE PARK 6017  
Western Australia Australia  
ACN: ARN: 000468039  
Carbon Insurance Brokers

**Mark Spencer**

☎ 0439425441  
✉ [mark@carbongroup.com.au](mailto:mark@carbongroup.com.au)  
🌐 [www.carbongroup.com.au](http://www.carbongroup.com.au)

