Insuring your business

Operator toolkit

2026

TICT

Contents

About this toolkit

Getting insurance and keeping premiums at a manageable level can be challenging for tourism and hospitality businesses. TICT has recently completed some research with operators on finding and affording insurance. You can have a look at the report here.

We heard that the key issues for Tasmanian tourism businesses finding insurance were:

- Escalating insurance costs with no sign of relief.
- Limited availability of insurance for high-risk sectors (accommodation, agritourism, adventure).
- Low insurance literacy – lack of knowledge on coverage and premium reduction.
- High perceived risk due to remote and nature-based locations.
- Insurers' limited understanding of complex, multi-activity tourism operations.
- Accommodation coverage challenges, particularly for short-stay/B&Bs.
- Need for flexible, seasonal insurance solutions.
- Government charges – fire levy and stamp duty compound costs.
- Overlapping insurance coverage creates confusion between operators, transport, and customers.
- Offshore insurance sought as local options dwindle.

TICT is working at many levels to help address these challenges.

In developing this report, we heard valuable advice from operators on how they have approached their insurance which has helped them keep their premiums and risk at a manageable level. This toolkit has been developed in partnership with tourism operators and representatives from the insurance industry to provide you with the most helpful advice possible. It is a living document that will continue to be updated based on those tips and advice as well as expert insights from the insurance industry.

We understand that this will not solve all of your insurance problems, but it might help in the short term as we work on some of the bigger issues.

Disclaimer

This toolkit provides general information only. It is designed to help Tasmanian tourism and hospitality businesses better understand insurance concepts and considerations.

It is not legal, financial or insurance advice, and it does not take into account your individual business circumstances. You should seek advice from a qualified insurance broker, insurer or professional adviser before making decisions about your insurance cover.

Insurance markets, regulations and underwriting practices change over time. While the Tourism Industry Council Tasmania (TICT) has taken care in preparing this information, we cannot guarantee it is complete, accurate or up to date.

To the extent permitted by law, TICT accepts no liability for any loss or damage arising from reliance on this toolkit.

Who this toolkit is for

This toolkit is designed to help any business, particularly in the tourism and hospitality industries to consider their key issues in taking out different insurance covers.

Existing operators – If you're renewing or adjusting cover, this toolkit aims to help you think about how you document risks, reduce loss exposure, and work productively with your broker.

New/developing operators – If you're planning new activities, buildings, or locations, this toolkit can help you think about insurability and cost at concept stage (before investing), including site-specific risk and feasibility budgeting.

Knowing the right questions to ask can help you get the best out of your insurance. Throughout this toolkit, you will see Questions to ask your broker/insurer, or of yourself, to help you think though what it is you need to know and give you the confidence to ask important questions at the right time.

Understanding insurance

What is insurance?

Insurance is a way of protecting your tourism business against unexpected events that could cause financial loss. By paying for insurance, you are transferring certain risks — such as accidents, damage, or legal claims — to an insurer. If something goes wrong and it's covered by your policy, the insurer helps cover the costs, rather than your business having to absorb them alone. For tourism operators in Tasmania, insurance plays an important role in managing the risks that come with operating in natural environments, hosting visitors, employing workers and running seasonal businesses.

What are premiums?

A premium is the amount of money you pay for your insurance policy. This is usually paid monthly or annually and is the cost of having your cover in place. Premiums vary widely between businesses depending on what is being insured, how much cover is needed, and how risky the insurer believes the business is.

What is an excess?

An insurance excess is the amount you agree to pay toward a claim before your insurer contributes. If you make a claim, the excess is deducted from the total claim payment (or paid by you directly, depending on the policy structure).

What influences how much your premiums cost?

Insurance premiums are influenced by how likely it is that a claim will be made and how expensive that claim could be. For tourism operators, this can include factors such as the type of activity you offer, where you operate, the number of visitors you host, your safety systems, what excess you choose and your claims history. Some influences are within your control as a business, such as strong risk management, clear safety procedures, excess amount and a good track record.

Many influences are outside your control as a business. The Insurance Council of Australia recently identified four key areas impacting insurance premium prices across Australia:

1. Inflation, labour and Materials
   - Building materials cost 30% more than 3 years ago
   - More expensive cars and complex technology increased motor claims by 42%
   - Labour shortages have doubled since pre-pandemic levels.
2. Development in high-risk locations
   - 1.4 million properties in Australia face flood risk
   - Southeast Queensland (SEQ) and northern NSW populations grew by nearly 1 million people from 2010 – 25 and projected to grow more.
   - Populations continue to grow around Australia in high-risk regions, and these are associated with more extreme weather claims.
3. Extreme weather costs (climate change)
   - Insured extreme weather costs hit $22.5 billion over 5 years, up 67% from the previous 5 years
   - Weather-related losses rose from 0.25% to nearly 0.75% of GDP since the late 1990s
   - Reinsurance (insurance for insurers) costs increased up to 30% for Australian insurers.
4. Taxes
   - Taxes add 20-40% to insurance premiums, benefiting state governments the most

TICT is working with other industry bodies to help address these challenges where we can.

Insurance underwriters – what they do

Insurance underwriters are the decision-makers behind insurance policies. They assess the risks of insuring your business and decide whether to offer cover, on what terms, and at what price. Underwriters look at information about your operations, safety practices, location, and past claims to judge the level of risk involved. While you may not deal with an underwriter directly, their assessment plays a major role in what insurance is available to you and how much it costs.

Insurance brokers – what they do

Insurance brokers act on your behalf, not the insurer's. Their role is to help you understand your risks, find suitable insurance cover, and navigate the insurance market. Brokers work with multiple insurers and underwriters, helping match your tourism business to policies that fit your needs. They can explain policy wording, help negotiate terms, and assist if you need to make a claim.

Climate risk and insurance

Climate change is increasingly influencing how insurance works in Australia. More frequent and severe weather events- such as bushfires, floods and storms - are driving higher claims and prompting insurers to reassess risk, pricing and coverage. As a result, some businesses are experiencing rising premiums, stricter policy terms or exclusions for certain hazards, particularly in higher-risk locations.

This is particularly relevant for tourism businesses, which often operate in natural, regional or coastal environments where exposure to hazards such as bushfire, wind, storm or flooding may be higher.

For Tasmanian tourism businesses, investing in climate resilience can help safeguard operations and support long-term insurability. Some insurers are also developing new approaches- such as parametric insurance, which triggers payouts when specific environmental thresholds (for example rainfall or wind speeds) are reached- to help address gaps where traditional policies struggle to respond to climate-related disruption.

Can you influence your premiums?

It is possible to have some influence on your premiums, but this is not guaranteed. Insurance pricing is not entirely within your control, but your risk profile is. It's possible that the actions might not directly result in lower premiums, but each action is likely to result in the lowering of risk for your business. Lower risk means a better chance of your business being sustainable in the long run.

Remember to:

Make the time to think about what you need. As a major expense for your business, it is important to give insurance some time every year in advance of your renewal. Understand how to read your insurance policy, what questions you need to ask of your broker/insurer, what the language means, what the limits of your cover are and what excesses apply.

> **Question** to ask your broker/insurer to help with your time allocation:
>
> **What documentation do you need from me to build a strong insurance pack and what timelines do you need from me to prepare it?**

Budget for insurance. Treat insurance as a fixed cost line in your business plan. Review annually and when activities change. If your business model cannot afford realistic insurance, re-scope the plan before committing.

> **Question** to ask your broker/insurer to help with future budgeting:
>
> **What other factors are influencing the increase in premiums, and are these likely to get worse next year?**
> Many things influence insurance premiums. If the cost of living or cost of building is increasing, it is likely that the cost of insurance will also increase. This might not help you with your premiums, but might help you plan for the next year or two.

6 actions that could influence your premiums

1. Choose a specialist broker as an advocate for your business

Specialist brokers should understand the specific industry you work in - the nature of visitors and seasonality, different visitor market behaviour and expectations, employment constraints in regional or remote areas, fire and flood risk, event management and many other elements that are part of tourism and hospitality operations in Tasmania. Your business may be unique, but many of the operations of tourism and hospitality businesses have similar needs to other operators and understanding this can help find the most effective insurance for you.

What a specialist broker should do:

- Translate your activities into the right risk categories
- Know which underwriters are genuinely active for your risk type
- Advise on documentation that underwriters want to see
- Flag where specialist engineers or assessors may be required (e.g., bushfire, structures)
- Act in your best interests to find the best product for your business.

Not all tourism operators in Tasmania have had this experience of insurance brokers. It is important to make sure you find a broker who is committed to helping you find the best cover and takes the time to really understand your business and your needs.

Do not appoint multiple brokers. Underwriters may receive duplicate submissions and decline to avoid conflicts; you also risk paying hidden costs (e.g., duplicated commission impacts). Choose one specialist and invest time with them. Multiple brokers approaching the same markets hurts your chances and can lead underwriters to step away.

Duty of disclosure & accuracy. Walk your broker through your activities and sites (photos, videos, or visit where feasible). Tell your broker everything material to your risk. Incomplete information can invalidate cover and claims. Build a culture of accurate incident reporting—it demonstrates risk control and helps learning.

Questions to ask in evaluating if a broker is a good fit for you:

What tourism/hospitality operators do you currently work with? Ensure your broker/insurer has a strong working knowledge of your type of businesses to ensure they have a full understanding of the risk profile and can provide solid advice.

Will you come and visit our business so you can better understand it? A good broker should be able to visit your business to fully understand the range of risks facing your business, visitors and staff.

Can you enable us to diversify risk across different activities? eg. if you have guides out in the field for half a day and in the office for half a day, one activity is more risky than the other and you may be able to split your risk across those to reduce your worker's compensation premiums. Same for visitor activities – walking around a farm might be a higher risk than sitting in a restaurant and the split of activities might be 50/50, which could also reduce your premium. Find a broker who will help you explore risk diversification.

Don't be afraid to ask as many questions as you need to feel confident that you understand the full extent of your risk.

Questions to ask your broker/insurer:

How will you present my risk improvement actions to underwriters?

How many quotes are you seeking and can I see them?

Which insurers are realistically in play for my profile (and why)?

2. Involve your broker/insurer early in decision making.

We tend to involve our accountants and bankers early when we start thinking about establishing a business, expanding or diversifying, but rarely do we have an early conversation with our insurer. Different materials, locations, jobs and visitor experiences have different levels of risk when assessed by an insurer which may not be immediately evident to a business owner (e.g., adventure add-ons, new kitchens, cool rooms, EV chargers).

Question to ask your broker/insurer:

Now you know about every aspect of my business, where are the main risk areas, and how can I manage them to reduce my premiums? eg. Some specific building materials or activities or locations may be more risky than others and small modifications could result in lower risk assessment levels.

3. Know the risks of your business.

Go into your insurance negotiation with a clear understanding of your business, the main areas of risk and a clear plan of how that risk is managed. Have a clear idea of the risk you are prepared to absorb as a business, what excesses you can manage if something goes wrong, where the riskiest activities are and be clear about how you manage these risks.

Managing risk makes good business sense, regardless of the impact on premiums. This includes having standard operating procedures (SOPs), risk management plans, registers, policies and procedures. These don't have to be complicated and there are resources to help you.

Quality Tourism Accredited businesses and those undertaking the accreditation program have access to specialised business development programs and tools within the Quality Tourism Framework (QTF), including resources, case studies, and customisable templates to assist businesses as they work their way through each of the focus areas. AI can also assist. Well-documented, well-managed, safety-conscious businesses:

- Negotiate more effectively
- Experience fewer claims
- Build stronger broker relationships
- Are more resilient long term

4. Build a documentation pack to supply to your broker or insurer.

Start early to ensure you have enough time to source everything you need, and remember that AI can help build many of these documents. Check with your broker/insurer, but a documentation pack could include:

- Business snapshot & site map (photos/video acceptable)
- Risk management summary (1–2 pages)
- SOPs per activity; risk register; visitor journey map showing handovers
- Evidence of safety improvements - Incident & near-miss log + corrective actions
- Maintenance logs (e.g. equipment, vehicles, PPE, kitchens)
- Staff training & competency records;
- Emergency/evacuation/bushfire plans
- Asset register with values; evidence supporting sums insured; excess preferences
- 3-year claims summary with context
- Updated revenue projections

5. Right-size your risk appetite and excesses

Insurance is about what risk you absorb yourself, vs what risk you pay to transfer to the insurer. Think carefully about the replacement cost of items compared with the excess to determine what is really worth insuring.

6. Proactively manage your risk

Tourism businesses can strengthen their insurability by demonstrating proactive risk management, including:

- **Understand your climate risks.** Identify hazards relevant to your site, such as bushfire, flooding, storm damage, wind exposure or coastal erosion.
- **Invest in resilience measures.** Actions such as vegetation management, flood mitigation, fire-resistant materials or improved drainage can reduce risk exposure. Some emissions-reduction actions (such as improving energy efficiency, installing solar or battery systems, or reducing reliance on vulnerable infrastructure) can also strengthen operational resilience.
- **Document your risk management practices.** Insurers value clear documentation that shows how risks are managed, such as risk registers, emergency plans and maintenance records.
- **Work proactively with brokers.** Early conversations with brokers about emerging risks, mitigation measures and business continuity planning can help ensure appropriate coverage.
- **Build a culture that is focused on minimising risk.** Risk is ever present in any business. Ensuring that staff understand the importance of work health and safety procedures and that they are trained to identify, report and manage risk will ultimately lead to a safer and more insurable workplace and experience. Ultimately avoiding claims in the first place and having a good track record will minimise premiums.

In some cases, insurers may view businesses that invest in resilience and adaptation more favourably when assessing risk and coverage. While these actions do not guarantee lower premiums, they can strengthen your risk profile and support discussions with brokers and insurers.

Participation in QTF programs such as the Tourism Emissions Reduction Program and EcoStar Accreditation can also demonstrate that your business is actively managing environmental and operational risks. These programs help identify vulnerabilities, improve efficiency and build resilience- evidence that can support conversations with brokers and insurers about your risk profile.

Many of the suggestions and recommendations to lower your risk are also requirements for the state and national tourism awards. Documentation doesn't need to be massive and sophisticated – we are working on providing some templates to help you get started without taking up too much time.

Specific types of insurance

This section describes the types of insurance and some of the key things to keep in mind when negotiating with insurance companies.

Workers Compensation

What it is	Workers' compensation protects employees by providing compensation for medical expenses, rehabilitation, and lost wages due to work-related injuries or illnesses.
Do I need it?	Under Australian law, employers are required to have workers' compensation insurance to cover their employees in case of such incidents.
Mitigating risk	Ensure you have: - Work health and safety committee & policies - Standard operating procedures and early reporting - A culture of safety with open communications and positive staff relationships - Strong safety systems - Supported return-to-work plans - Role design to minimise risk
Insights	Workers Compensation premiums are influenced by how many claims you have made. When negotiating to get worker's compensation insurance, it is important to understand how it is calculated. There are different categories of activity in a workplace, and these can have different risk profiles. It is important to work with your broker to better understand: - What category your workers are put under for the different activities they do, and the costs of those categories e.g. Cleaning vs reception vs kitchen, etc. - The percentage of time each role spends within each category of risk in their usual daily duties. - If a split rate is possible in these roles. Many of the drivers of cost for worker's compensation insurance are outside the influence of operators, such as state legislation and policy reform. TICT will advocate for these on your behalf.
More information	Safe Work Australia [Workers' compensation | Safe Work Australia]

Questions to ask:

1. **What category is my insurance under?**
2. **How does this compare with other categories and is there room for movement in this?**
3. **Can I split the time of my staff between different categories with different levels of risk?** (you should be able to do this if it accurately reflects the staff time and activities)

Public Liability

<table>
<tr><td>What it is</td><td>Public Liability Insurance covers your business if a member of the public is injured or has their property damaged during the course of your work, or while using your products or services. It may cover all or part of the compensation you're liable to pay and your reasonable legal fees incurred to defend a claim against you.</td></tr>
<tr><td>Do I need it?</td><td> Whilst it is not legislated as compulsory, many of the partners who you work with require that you have public liability insurance. This includes travel agents, online travel agents, promotional agencies (such as Tourism Australia or Tourism Tasmania), tour companies, accreditation or other tourism partners. Importantly, Public Liability insurance is essential if you are seeking a licence to operate in Tasmania's National Parks, Directional Road Signage, and to achieve Tourism accreditation through the national Quality Tourism Framework (administered in Tasmanian by the TICT). The public liability level required by operators to be accredited is 10M, and if the business employs staff Workers Compensation Insurance is also required. </td></tr>
<tr><td>Mitigating risk</td><td> It is important to prevent incidents in the first place. Provide information to insurers about risk profile
Be proactive, explain the experience
Be accurate and communicate your track record of safety Ensure you have a safety manual, include standard operating procedures and all policies and practices. The Quality Tourism Framework provides tools like the Risk Management and Business Continuity programs free of charge to accredited businesses, and AI can help develop key documents, such as: Evacuation plans
Management plans
Near miss strategies/policies
Sign in registers
Risk management plan templates with standard risks for different types of operations
Risk management tool - "Only sections of our day are risky" - % matrix of visitor's time and relative risk throughout the experience/visit.</td></tr>
<tr><td>Insights</td><td> Many tourism experiences involve multiple transitions from one operator to another. For example – a cruise passenger getting on a bus for a shore excursion, arriving at a café for a snack and then a tourism experience will transition between multiple covers for public liability. It is important to understand the full extent of the cover you have and the extent of the cover your partners have to avoid both overlaps of unnecessary cover or gaps where there is a lack of cover. Understand how risk and premiums are calculated: Understand the distinction of cover. Eg What activities are covered where and by whose insurance?
Know your risk well and be clear about it and how you manage it.</td></tr>
</table>

	Have a good relationship with your broker. - Package information together so it is clear and comprehensive - Include a clear and usable standard operating procedure document Some companies you partner with might require a minimum of $20m public liability. - Consider ways of managing these requirements

Questions to ask:

1. Can we negotiate on the level of liability cover needed?
2. What are the different activities in my business categorised as and what kind of cover do they require?
3. Where does the cover of liability from partnering businesses end and mine start?
4. How is the allocation of risk across the visitor experience in my business represented in the cover I need?
5. Do I need any specialist advice on specific safety or risk aspects of my business?
6. How does my risk mitigation impact my premium?

Property and equipment

What it is	Property and Equipment Insurance cover your business premises, contents and operational equipment if they are damaged, lost or destroyed by events such as fire, storm, flood, theft or vandalism. It may cover the cost to repair or replace buildings (if owned), fit-out, furniture, stock, tools, machinery and specialised equipment. Depending on your policy, it can also cover accidental damage and equipment breakdown. This type of insurance helps your business recover and continue operating after an unexpected event.
Do I need it?	Property insurance is not compulsory by legislation, however if your business is financed, the bank is likely to require insurance at replacement value. If your business is not financed, risk management and mitigation is still critically important as without your property or equipment, it may be difficult for your business to continue earning.
Mitigating risk	Understand the main risk areas in your business. These might include proximity to hazard zones for fire or flood, security or specific building materials such as timber, styrofoam in cool rooms or EV charging stations. The main risks to property in Tasmania are fire, wind, flood. Mitigating these can be through: - Fire alarms - CCTV - Tagging & testing - Thermal imaging - Restaurants – cleaning checklist – range tops & filters, professional cleaning.
Insights	Ensuring replacement value is accurately estimated impacts premiums but is important in managing risk if a disaster occurs. It is important to fully understand the risks of underinsuring when you are deciding on the level of insurance and risk you are prepared to accept yourself. Also, in the event of total destruction, consider the costs of clearing the site before rebuilding, which can be expensive.

Understanding excesses to bring down the premiums:

- Read the excess inclusions and requirements carefully and consider what risk you are willing to take on. Look at this every year. You may wish to consider what is worth insuring, the impacts on your entire business and the cost of potential claims. Please note that this is not advice tailored to your business - you need to consider all of the potential consequences of the decisions that you make.

Property surveys: You may have some room for negotiation with different insurers, which your broker may be able to help you with. Some insurers will pay for this, or may be able to find a cheaper option, especially if you are being asked to do one annually.

Packages: In operations that are multi-use, such as agritourism, it is important to understand what buildings are in what package. E.g. rural package, staff quarters.

Registers of equipment: It is important to keep registers of equipment up to date to ensure they are covered.

Broker red flag: 'just send everything through'. These are big decisions and have complexities and nuances. Negotiating your insurance needs to start with a conversation and a deep understanding of your operation.

Questions
to ask:

1. How do I allocate a value to make sure I'm not underinsured?
2. What are the excesses and inclusions on each part of my property and equipment? Can I vary these to shift risk and bring down my premium?
3. What is actually worth insuring?
4. What will the impacts of a claim be for our business?
5. Can you (insurer) provide a property survey for us if you require one?
6. What buildings and equipment are in what package?

Other support available

Mentor program & workshops

By our nature, tourism businesses focus on what makes us different and special compared with others. Sometimes we are so focused on our uniqueness that we can feel as though our challenges are unique to us as well. When it comes to insurance however, our research has shown that many businesses in Tasmania are facing very similar challenges and they are not as unique as you might think. Knowing that we are not alone and sharing approaches that have worked for others can help us build our strength as an industry together.

We know that in tourism, nothing exists in a vacuum. We need a critical mass of healthy businesses to offer awesome experiences that excite and engage our visitors. Although sometimes we may be in competition with one another, ensuring that we all offer quality experiences will help Tasmania grow our share as a compelling place to visit.

In this way it is valuable for us as an industry to work together and share our knowledge and insights. TICT is offering two main ways for the industry to come together and share their experiences with insurance:

1. **An industry mentor group.** This will offer informal 1:1 discussion with industry mentors to bounce off concerns and ways of managing insurance in a confidential way.
2. **Workshops for operators.** This will invite operators to come together to share their experiences and insights in securing and managing insurance.

Advocacy

TICT recognises that insuring Tasmania's tourism industry is not just about what the industry can do, but also about a much larger picture of policy, law reform, legislation and mapping risk areas. We also recognise that much larger issues such as climate change and changing geopolitical situations also influence insurance availability and premiums. Whilst we can't fix all of these issues, we are working on areas where we can make some impact, including the recommendations from our report on insuring Tasmania's tourism industry:

Federal/National scale:

- Investigate a national risk pool for property/personal injury.
- Explore parametric insurance for fire/flood.
- Consider tort law reform and payment caps.

State-scale:

- Use the findings of this report to inform the development of a Tasmanian state insurer.
- Audit and improve risk data and modelling.
- Support training and development for tourism and insurance sectors.
- Repeat this research biennially to measure progress.

Industry-scale:

- Develop a toolkit and resource to help operators reduce risk and premiums.
- Run workshops and share findings to strengthen collective understanding.

Resources

[Quality Tourism Framework (QTF)]

A national suite of programs, tools, e-Learning, and a trusted Brandmark, the Quality Tourism Framework (QTF) helps guide tourism operators to consistently deliver exceptional experiences, evolve their business and maintain the competitiveness of our nation's visitor economy.

Through the Quality Tourism Framework, operators can access a range of business development programs, prestigious awards programs, along with practical tools and resources designed to enhance their operations and improve the customer experience.

Backed by the Federal Government, and facilitated in Tasmania by the TICT, the Quality Tourism Framework provides businesses with the necessary tools and resources to ensure best practice management, customer confidence and ongoing sustainability.

Sustainable Tourism Accreditation

Sustainable Tourism Accreditation signifies that a tourism business has made a commitment to exceeding customer expectations through best practice in service, safety, insurance, advertising practices, risk management, business operations, and sustainability standards. Several resources, case studies, and customisable templates are available to assist businesses as they work their way through each of the focus areas.

Additional Programs

Once you've become accredited, there are several additional business development programs and accreditations available for you to undertake, at no further cost. From Risk Management and Business Continuity, through to Accessible Tourism and Camp & Adventure Accreditation, these tailored pathways empower businesses to excel where it matters most.

Quality Tourism eLearning Hub

Access resources and training tools designed to help you enhance operations, customer service, and overall business performance. The Quality Tourism eLearning Hub supports practical learning, anytime, anywhere to suit you.

Links

Accessible Tourism – Australian Tourism Industry Council
Business Continuity - Australian Tourism Industry Council
Camp & Adventure Accreditation – Australian Tourism Industry Council
Quality Tourism Framework (QTF) | Tourism Industry Council Tasmania
Quality Tourism eLearning Hub | Tourism Industry Council Tasmania
Sustainable Tourism Accreditation – Australian Tourism Industry Council
Risk Management - Australian Tourism Industry Council
Tourism Emissions Reduction Program – Australian Tourism Industry Council