

Why every business needs an asset registry.

When considering an insurance policy, it's easy for many of us to think "it'll never happen to me". However, the vast experience of Guild Insurance tells us 'it', being events that require insurance claims, unfortunately can happen to anyone.

Guild Insurance is dedicated to providing risk management information to our customers to help reduce the likelihood of events occurring which could have a detrimental impact on their business and lead to an insurance claim. However, we also know that not everything can be prevented. Which is why business owners also need to consider what they can do to reduce the severity or impact on their business should an event occur. And this is where asset registers become so important.

What is an asset register?

An asset register is simply a list of assets held by a business. These can be created and stored in various ways, such as paper format or electronically, yet should always be stored safely and be easily accessible.

Why are they needed?

All businesses should hold an asset register as they serve a number of important purposes.

It's estimated that well over half of Australian businesses are underinsured. A detailed asset register will help a business understand the value of what they own and therefore the level of insurance required to be adequately protected.

An asset register also assists businesses when there is a need to lodge an insurance claim due to property loss or damage. When there is an up-to-date asset register, this necessary information can be provided quickly to an insurance company which is likely to speed up the settlement process. Making an insurance claim for property damage or loss can be quite a stressful process for any business. An asset register can reduce some of this stress by making the process more straightforward.

When a business has multiple sites, keeping track of all assets is quite a challenge. An asset register provides the business with a way to manage all assets, even when the assets aren't physically in sight of those responsible.

What information should be included?

For an asset register to be of any benefit to a business, it's important that the information is up to date and correct. Businesses should have a process for how and when the register will be updated, and by who. This process should require adding a new asset as soon as it's purchased. However, it would also be beneficial doing regular checks of the asset register to be sure nothing has been accidentally left off.

The asset register should include a list of all items which could be lost or damaged if there was an incident at the premises. Don't just

focus on the costly items; damage to a lot of items which are of lesser value can still add up and you will want a record of these items. The types of assets to be recorded may include:

- > Furniture, both indoor and outdoor
- > Computer and other office equipment
- > Electrical items such as fridges and air conditioners

The information to record about each of these items may include:

- > Description of the item
- > Brand, make or model
- > Serial number
- > Purchase value
- > Purchase date
- > Location of the item
- > Warranty information
- > Invoices

Creating an asset register

As previously mentioned, asset registers are really just a list of items so the creation of them doesn't need to be overly complex. There are a number of template examples which can be found through internet searches.

However, the challenging aspect of creating an asset register is being sure the information you have on there is detailed and correct. We therefore recommend that businesses use their accountant to assist with this task.

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Don't go it alone