

Top 4 risks faced by Malaysian SMEs

As businesses focus on rebuilding after the pandemic, it is critical not to overlook the everyday threats that can jeopardize the recovery efforts.

Here are some of the top risks facing companies in Malaysia. While they affect businesses of all sizes, the impact on SMEs can be far more severe, have longer-lasting consequences, or even lead to permanent closure.



Fire

Fire risks are among the most significant risks for Malaysian SMEs and there is a wide range of them that owners need to keep their eyes on.



Hot work such as brazing, cutting, grinding, welding, and torching can ignite combustible material (e.g., wood, plastic and textile products) with disastrous results.



Ignitable liquids such as fuels, solvents, thinners, cleaners, adhesives, paints, waxes, and polishes) are often flammable or combustible.



Intentional fires (also known as arson) are often costlier than accidental fires. Arsonists may deliberately impair fire alarms and sprinkler systems at a vacant premise or accelerate the fire with flammable liquids or other agents.



Bush or lalang fires due to dry weather and lightning strikes are natural causes that can start a fire or explosion at your facility.

Whether it's caused by flammable materials, arson or Mother Nature, fire can clearly pose a costly and dangerous threat given its ability to severely damage premises, destroy expensive equipment, and devastate your business.



Flood

Flood can happen anywhere - even in areas that are not flood-prone (e.g., flash flooding caused by sudden storms and significant rainfall during monsoon seasons).

Should your commercial premise be caught in a flood, it can have huge material and financial consequences, including:

Property damage

Inventory loss

Business interruption

Debris removal

Extensive cleanup



Slip and fall

Slip-and-fall claims are the most common loss suffered by our SME clients, especially those engaged in high-traffic businesses like F&B, retail and shopping malls.



Factors that contribute to slip-and fall accidents:

Cracks on walkways

Poor lighting

Slippery floors

Improper or broken handrails

Irregular steps or objects left on the staircases



Water Damage

Any business can suffer from significant, non-weather-related water damage.

Some of the common sources include:

Damaged pipes and hoses, and other plumbing leaks

Defective or improperly installed fittings

Failing industrial heating systems

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