

Navigating the maze of business insurance

It has been an eventful summer in the insurance industry with the introduction of the Insurance Act 2015 along with the news that 14,000 policyholders were affected after Gibraltar - based insurer, Enterprise Insurance was declared insolvent*. Both of these events will have an impact on commercial insurance buyers and should act as a reminder of the importance of making sound buying choices.

So what does all this mean for you?

As we mentioned in our last newsletter (edition 5) the Insurance Act 2015 brings about the biggest change in insurance contract law for more than 100 years and affects every commercial insurance policy placed, renewed or amended after 12th August 2016. The key changes for all commercial insurance policy holders are:

- The obligation to carry out a reasonable search for risk information.
- The requirement for clear and accessible presentation of this information.

The law has been updated to ensure that insurance contracts are fit for purpose.

In essence, policyholders may see fairer outcomes in the event of a claim, but only if they demonstrate an adequate approach to disclosing information about their risk to insurers before the insurance is agreed – in the form of the new Duty of Fair Presentation.

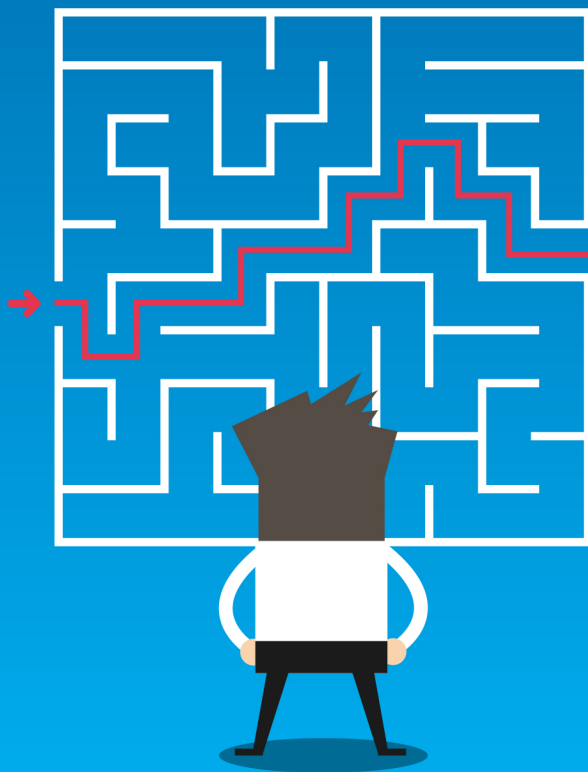
Whilst generally a positive step forward, if you do not comply with your new duties, insurers will have a new range of “proportionate remedies” which could include reducing your claim payments significantly. The good news is that the industry has been getting ready for the act for some time and we are equipped to help you comply with all the changes to your renewal process.

How can you make good, informed buying choices?

UK policyholders were left in an uncertain position in the summer when Enterprise Insurance went into liquidation with all claim payments immediately being put on hold. The impact of this on businesses and individuals is hard to measure in monetary terms but it is an undesirable position for all parties. It can be tempting to choose insurance based purely on price without too much thought to the provider, but when things go wrong this can prove to be a costly mistake.

Here are some steps you can take to minimise this risk and ensure that you are displaying good buying behaviours:

- Use an independent insurance broker who can call upon their knowledge and experience to recommend insurers with strong ratings and which are able to demonstrate solid financial stability.
- Work closely with that broker during the renewal process and indeed the lifetime of your policy, this way you can be confident they get to know and understand your business and the risks it faces. This will ensure that your business is underwritten on the correct basis.



- Make sure that you understand your policy and its' warranties, limits and exclusions in order to ensure you are always protected.
- Communicate regularly with your broker, reporting incidents and possible claims at the earliest opportunity.
- Seek professional Risk Management advice, either from your Insurance Broker or a Risk Management company.
- Employ robust health and safety procedures throughout your business and regularly train and update your staff.

Playing your part in the new process should lead to improvements across the industry which will ultimately benefit you, the policy holder with a more balanced, more efficient process.

**Insurance Business Magazine.
<http://www.insurancebusinessmag.com/uk/news/breaking-news/14000-customers-to-get-refund-as-enterprise-insurance-shuts-down-35225.aspx>*

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We all enjoyed watching Team GB's fantastic success in the recent Olympic and Paralympic games in Rio, with a record breaking number of medals picked up.

We are all immensely proud of our athletes but you might be surprised to learn the medals are actually worth a lot less than you think.

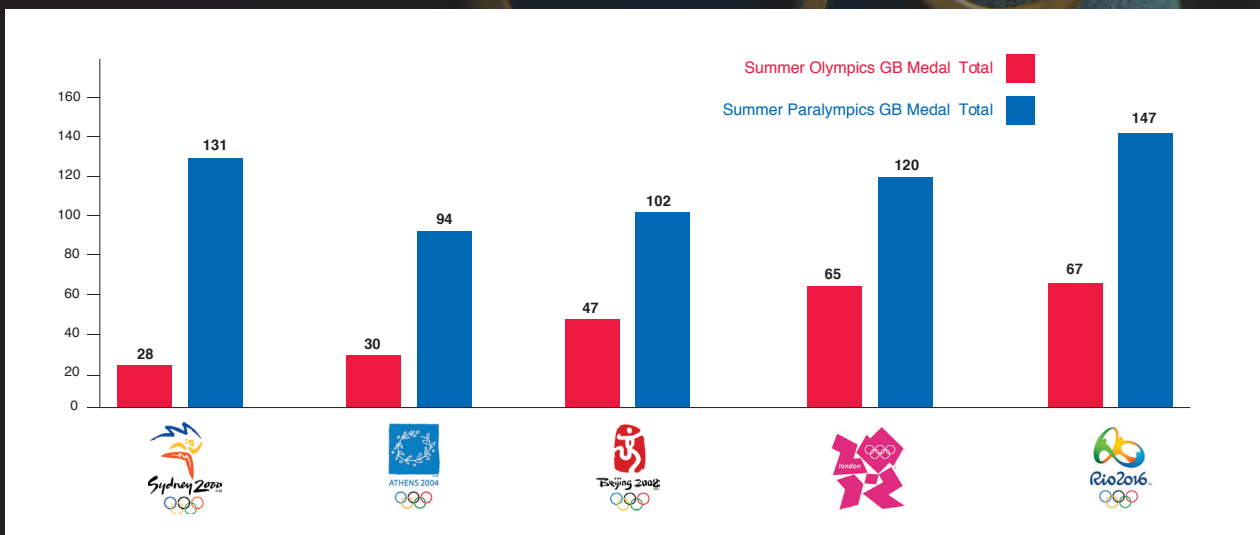
Whilst the sentimental value of the medal is huge, not since the 1912 Olympic Games in Stockholm have the medals been made of gold. Modern day gold medals are comprised of 92.5 per cent silver and just 1.34 per cent gold – with copper filling in the rest.

According to the Olympic committee, each first place medal must contain at least six grams of gold in the plating; this does pale in comparison to the 525 grams of silver contained within in the rest of the prize. What's more, a 2016 gold medal is only worth around £387 given the current market, although you'll be pleased to hear the 2016 medals are sustainable and made of eco-friendly metals.

Of course a medal has more symbolic value to the Olympic champions and their fans. Re-sales are rare, but when they do happen, one can command substantially more than the true value;

Top three prices achieved

- Jesse Owens, 1936 USA Track and Field – Gold medal fetched \$1.47million in 2013.
- Wladimir Klitchko, 1996 Ukraine Boxing – Wladimir's medal was sold in 2012 for \$1 million dollars, which he donated to a charity for impoverished children.
- Mark Wells, 1980 USA Hockey – A member of the USA “miracle on ice team”, Mark saw his gold medal sell in 2010 for \$ 310,000.



Remember, remember the 5th November

Bonfire night can provide a lot of fun and be a great spectacle, but if you don't look out for potential problems you can end up getting your fingers burnt. Is there a planned event near your premises that could impact on your business?

What should you do to prepare?

- Keep an eye on the local press for any organised events and contact the event organiser if possible to discuss arrangements. When planning for the event, consider the following:
- Access – will the visitors be walking through or parking in your yard or car park? If this is the case you might consider having a member of staff present to monitor things.
- Smoke – If there is a bonfire too, consider whether you have anything stored in the open which might get damaged by smoke.
- Livestock – If you have any animals on your premises then consider re-homing them for the event.
- Be aware that increased footfall around your business after dark could increase the opportunity for theft or vandalism at your premises.
- On the evening of the event, monitor the situation, keep an eye on the weather conditions and the direction of the wind as well as any unauthorised access to your premises. Most of all enjoy the event and your grandstand view!

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News In Brief

Insurance Premium Tax

A reminder that Insurance Premium Tax rose to 10% from 1st October 2016 so if you are yet to renew your insurances, you will notice the new rate on your invoice. Whilst this pushes up the overall cost of your insurance, the advice remains to avoid the temptation to counteract this by reducing protection. Making sure that the correct cover is in place remains as vital as ever.

Apprenticeship Levy

In spring 2017 the way the government funds apprenticeships in England is changing. Some larger businesses will be required to make an investment in the government run apprenticeship scheme. In turn, smaller businesses will be able to benefit from this investment by giving a place to an apprentice in their business.

You can find out more about the planned reforms and the benefits an apprentice can bring to your organisation on the Gov.UK website www.gov.uk/government/publications/apprenticeships-in-england-vision-for-2020



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Clear out your gutters and drains to ensure rain and melting snow can flow freely away from your home or office.



Your Winter Checklist

Winter is just around the corner and with weather forecasts being typically unreliable it pays to get prepared, both at home and in your business. Simply follow our handy tips to stay warm, cosy and dry whatever the weather.

- Make sure the pipes within your roof void are properly lagged to prevent them freezing.
- Clear out your gutters and drains to ensure rain and melting snow can flow freely away from your home or office.
- Examine roof and exterior walls for any potential problems such as missing tiles, slipped flashings or cracked rendering, then make sure they're repaired before water can get in.
- If you have a condensing boiler, ensure the external condensate outflow pipe is properly insulated and regularly check to ensure the pipe doesn't freeze.
- Defrost frozen pipes with a hairdryer or hot water bottle, then open the tap servicing the pipe. If the pipe has burst but the water is still frozen, turn off the stopcock and seek urgent support. If your home insurance policy includes home emergency cover, seek support from your insurer.
- If you have an open or wood burning fire, make sure the chimney and flues are clear, sweeping out the soot and other potentially dangerous build-up.
- Get in before the busiest time of year and have your boiler serviced by a registered engineer, bleed your radiators too in order to improve the performance of your heating system.
- If you are lucky enough to be getting away over winter, leave your heating on low to prevent pipes freezing and bursting, the frost setting on your heating may not be sufficient. Turn the water off at the stopcock and drain your water systems if you plan on leaving your home unoccupied for longer periods.
- Keep useful numbers all in one place in case of emergency.
- **Most importantly of all, take care and stay safe this winter.**

CONDITIONS AND LIMITATIONS

The sole purpose of this publication is to provide guidance on the issues covered. It makes no claims to completeness and does not constitute legal advice with respect to any set of facts. The information it contains is no substitute for specific legal advice. If you have any queries regarding the issues raised, please get in touch with your usual contact or the authors of this publication.

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