

After The Flood

We were all moved by the recent footage of the devastating floods which hit the North of the country. Many businesses were affected repeatedly whilst desperately trying to get up and running again.

The knock on effect of this on their livelihood has been devastating in some cases. Of course, not all businesses are at risk of being flooded, but there are many unexpected occurrences that can lead to a total disruption in operations. A fire on your own or neighbouring premises, a power cut, a chemical spillage or crime scene can all lead to an evacuation of your premises and an inability to trade.

This highlights the very real need for all businesses to have a robust Disaster Recovery Plan in place.

A Disaster Recovery Plan is a formal document that businesses create to help them deal with an emergency situation. It is a useful tool that ensures that responsibilities are shared around the team and everyone knows what is required of them when things go wrong.

Considerations you may not have thought of when creating your DRP

- Is your data safe and backed up remotely? This can include everything from staff records to customer information and banking details.
- Are you able to access your telephone system and emails remotely? This will enable your staff to work from home and get on with the job of running the business while you start to clear up.

- Do you have a Communication Plan? Communication is critical after a disaster and it's important to have a process for informing customers, suppliers, investors, employees and the media.
- In a manufacturing company, production line equipment and production control systems are critical. The disaster recovery plan should prioritise resources and include an assessment of the risks and consequences associated with each resource

Once you have dealt with the immediate emergency and set up temporary operations you will need to turn your attention to the business of re-instating your company to its normal working conditions. Many companies underestimate exactly how long this will take and the increased cost of working in this interim period. We can help you to fully assess the potential risks you face and the associated costs, and arrange protection to suit.

Contact us today and talk to one of our experts about how to prepare your business for the unexpected.



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Covering the Cost Of Your Credit

As a small business grows and starts to fulfil larger orders, the issue of their client's credit worthiness increases in importance. One large client becoming unable to pay their invoices can leave a business in serious financial peril.

How Secure Are Your Customers?

The Insolvency Service reported that in Quarter 3 last year 3,539 Companies became insolvent in England & Wales. In the prior 4 Quarters over 15,000 Company Insolvencies occurred.*

There are many reasons that a company fails; sometimes these are specific to the business, but there can be wider industry or economic reasons as well. Devoting the necessary resources to analysing which of your customers pose a significant risk can be problematic

Assessing the Risk

Just some of the factors which must be considered:

- *Economic conditions – such as interest rates*
- *Industry – some sectors are more prone to bad debt than others*
- *Seasonal factors*
- *Groups – a company might be part of a heavily indebted group of companies*

These are in addition to the individual factors affecting how a company is performing now and in the short and medium term.

Why Insure?

Credit insurance claims payments replace cash (typically 90%) lost through bad debt

Increased confidence allows you to expand sales and grant credit to customers when backed by insurance

The extra security provided by a credit insurance policy can improve access to finance

Replaces the need for a large (and difficult to assess) bad debt “reserve”

Cover extensions for particular industries, for example Construction and Recruitment

The Options

There are a number of options for credit insurance cover and you may be surprised how competitive premiums are. Talk to us today to see how we can help.

Source: * https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/471934/Q3_2015_statistics_release_-_web.pdf

IT COULD BE YOU

Does your company have a lottery syndicate? Lottery syndicates can seem like harmless fun and a good way to build staff morale but would you be able to cope if your syndicate had a big win and all the staff left? Sounds far-fetched?

One recruitment company in Merseyside faced such a situation when their ten strong syndicate won a £28 million jackpot on the Euro millions lottery. The workforce didn't turn up the following day leaving only one member of staff in the office. Fortunately the company had other staff that could be drafted in to cover.*

Would you be able to cope? A simple lottery syndicate insurance policy can help provide funds to employ temporary staff and cover recruitment costs, to help you keep your business running smoothly. A lottery win might change lives; it doesn't need to change yours!

Contact us today to find out more about lottery insurance.

Source: * <http://www.bbc.co.uk/news/uk-england-merseyside-23318731>





Accelerating Investments

With bank interest rates currently low, people are looking for alternative ways to make their capital work for them.

One fun way to do this is to invest in classic cars and with the news from private bank Coutts that the values of some classic cars have risen 257 per cent between 2005 and 2013, sinking your money into an old Ferrari or vintage Jaguar might just be a sound investment.

“In Europe, interest at the banks is at an all-time low. So rather than put money there, some people are putting it into cars” says Paul Spires, general sales manager at Aston Martin Works.

“You might buy a car for £65,000, and in five years it might be worth £80,000 and you’ve had five years of fun”

As with anything you need to fully understand your market, do your research and decide what type of car you really want. You need to consider the costs involved of insuring, maintaining and storing the car as well as initially buying it. With finance journalist and ex-Sotheby’s expert Simon De Burton predicting that *“The value of most sought after cars will continue to rise, thanks to interest from emerging markets”* So if you enjoy your motoring, you might be able to have some fun and make some money into the bargain.

While classic car insurance is often cheaper than standard motor policies, it is important to ensure that your vehicle is covered for its actual market value. Some policies will allow you to insure on an agreed value basis or a current market valuation. If you are using an agreed value, ensure that you review it regularly to keep track with its appreciating value.

Other unusual investments include; Wine, Art, and Watches. The following items are record breakers;

The highest price paid for a bottle of wine was \$225,000 to settle an insurance claim for a 1787 Chateau Margaux dropped by a waiter in 1989. *

The most expensive painting ever sold was When Will You Marry by Paul Gauguin it was reportedly bought for £200m (\$300m) at auction in February 2015. **

The Henry Graves “supercomplication,” by Patek Philippe, sold for \$24 million at Sotheby’s in 2014 It’s the most complicated watch ever created.***

The owners of these were certainly not wishing they’d left their money in the bank!

Sources: *People magazine 1989. ** The Guardian 2015. ***Bloomberg 2014.



News In Brief

Insurance Premium Tax

A reminder that Insurance Premium Tax rose by 3.5% last November to 9.5% 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.

The Insurance Act 2016

As we flagged in the Autumn 2015 newsletter, this piece of legislation will come into force in August 2016. It is intended to modernise how general insurance is transacted, particularly for businesses. It will also make some new provisions if things go wrong. As the months pass we will be talking to all our clients about the Act, and explaining how it affects the way that information is exchanged between you, us as your broker and the insurer(s) of your business.

So for now watch this space, we will be in touch.



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Once your insurance is in place it is important to ensure that you are familiar with your policies and the conditions they stipulate to ensure you are covered for all your business activities.

When We Need To Know

When it comes to arranging your business insurance you will no doubt have spent some time with your broker assessing your risk and working out exactly what is the right blend of covers for you. Once your insurance is in place it is important to ensure that you are familiar with your policies and the conditions they stipulate to ensure you are covered for all your business activities.

Another important thing to consider is the need to notify your broker or insurer as soon as you can in the event of a possible claim; this can aid the effective management of the claim, and help to control the cost

Employers Liability Considerations

Prompt notification is particularly important in the case of events which could give rise to an Employers Liability (EL) claim. As the policy is a liability one, such liability will need to be established as soon as is practically possible.

Insurers will need to consider the circumstances, the nature of the work being carried out, the date of the incident and many other factors, all of which could affect whether the insurer will deal with the claim.

For example you may be an upholsterer and one of your employees is re-covering seats in a light aircraft on an airfield, when he slips whilst getting in to the aircraft and breaks his leg. An immediate question would be whether insurers were aware that the insured does work “airside” and whether cover is operative for such activity.

That said, as EL cover is subject to the Employers Liability Act of 1969, an insurer may have to deal with a claim and then seek recovery elsewhere under subrogation rights.

For more information about how we can help you when claims occur, please call us today.

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The information it contains is no substitute for specific legal advice.