

insurance matters

Issue 6 - Spring 2010

INSURANCE INDUSTRY NEWS FROM CAPITAL & COUNTY



Small businesses are vulnerable to survive major incidents

The British Insurance Brokers' Association (BIBA) is calling on the Government to do more to ensure that small businesses survive a major incident such as a fire, flood, act of terrorism, or a pandemic such as swine flu, particularly during the current economic downturn.

Independent research commissioned by BIBA has revealed that 45% of businesses have no, or at very best, rough plans to deal with the effects of flood or storm damage. This is despite the £3billion of flood claims from 2007 and that 80% of businesses affected by a major incident close down within 18 months

The research has revealed that the number of small businesses who claim it would take more than six months for their business to recover has nearly trebled. BIBA believes that small businesses must have adequate plans in place to cover business resilience and is concerned businesses are putting themselves at risk.

Steve Foulsham, BIBA Technical Services Manager, said: "There have been slight improvements since our previous research in 2006 but we still have concerns that businesses are still not adequately protected.

Every business needs to be properly prepared for a major incident. I urge every small business to urgently speak to their broker to ensure they are properly covered."

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Welcome

to the Spring issue
of Insurance Matters

In this issue we will be looking at the importance of business continuity planning for SMEs and the steps you can take to prepare for when disaster strikes; rewarding businesses with reduced premiums on commercial insurance; an update on the Ministry of Justice Reforms; and also, a health and safety special on lone working.

If you have any comments or requests for topics you would like to see covered in future issues please get in touch.

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CCV - A Powerful Ally

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Steve Foulsham added: "It is vital to raise and maintain awareness of the need for businesses to prepare for the potential impacts of a natural disaster or terrorist attack. The Buncefield Oil Depot fire, 7/7 bombings and continued incidents of flooding illustrate the need for all to plan for the unexpected."

"BIBA will call for the support of the Government in campaigning for all businesses to set continuity plans in place."

Importance of planning for the unthinkable

Why is planning ahead so important? Imagine, your business, you've invested all of your time and resources into making it work, you have worked hard to create a contented and loyal customer base, you have established a sound reputation for paying your suppliers and are respected locally as an important member of the business community.

If you need advice, get in touch now

Consider these simple steps to help prepare your business for if a disaster occurs:

- Have plans to replace machines, equipment and stock
- Consider what would happen if your computer or telephone system were down for three days
- Organise how you would cope in the first hour following a disaster
- Consider the effects upon your business if a major supplier or customer suffered a disaster
- Plan for continued operation of the business if 50% of staff were off sick
- Discuss Business Continuity Planning with your insurance broker

By developing a simple plan, a business continuity plan, you can protect your business to ensure that no matter what disaster strikes you are prepared and "business as usual" is the only thing your customers and suppliers see.

Lone working – Are you controlling the Risks?

As businesses respond to the economic climate more individuals may become "lone workers". There is a risk that, due to the financial need to reduce numbers, employers might not fully consider the safety implications of reducing staff numbers.

Lone workers are considered, by the HSE, to be "those who work by themselves without close or direct supervision" either during the majority of the working day or over short periods of time.

Lone workers are found in a wide variety of professions and circumstances:

- **Small fixed premises, e.g. shops & garages**
- **Home workers**
- **Working in isolated parts of a building**
- **Working outside of normal hours, e.g. night security, cleaners**
- **Mobile workers, e.g. decorators, agricultural workers, social workers, salespeople etc**

Key risks associated with lone working include lack of immediate assistance if injured or taken ill, violence against the person, inadequate rest, hygiene and welfare facilities, psychological issues and/or stress resulting from feeling isolated.

Lone workers must not be at greater risk than others employees. Additional control measures above the norm may be needed. Regular monitoring and contact with the worker(s) will determine effectiveness of control measures. If necessary, create and issue a policy, clearly define what is considered lone working and show management commitment to identifying, assessing and controlling lone working situations.



Establish regular contact and meetings with affected employees, encourage discussion about the job and, most importantly, encourage employees to leave the task if they feel at risk in any way to seek assistance and advice. Ensure individuals have clear guidance and instruction on when to request assistance, what to do in emergency situations and written details for contact during out of hours.

For a review of your Liability or Directors & Officers insurance coverage contact us now

Source: mhl Knowledge Base Autumn 2009

Tightened Timescales for Claims Reporting

On the 6th April 2010 we are due to see the implementation of the long awaited Ministry of Justice Reforms (MOJ) to the road traffic accident claims process.

The basics of the reforms are that they apply solely to motor claims with a bodily injury element valued at between £1000.00 and £10,000.00. The accident will have occurred in England or Wales, will have occurred after the date on which the reforms are implemented (unless by agreement otherwise). Claims where the claimant is deceased or a protected party are excluded.

The new reforms impose a very tight timescale of 15 days during which a response on liability must be provided. Clearly this places pressure on all parties concerned in the process starting with the driver involved in an accident.

Motor accidents will need to be reported to insurers immediately. The process of doing so will vary depending upon whether the accident relates to a private individual or the driver of a company vehicle.

Where the driver is also the insured a call to insurers immediately reporting the matter will start the process efficiently.



Where the driver is that of a company vehicle, the internal process of that company will need to be streamlined to ensure that information reaches insurers without delay, either directly or via the broker dependent upon the procedures agreed.

An internet based portal system is being created to facilitate the exchange of information, this will be accessible to insurers and solicitors and is designed to support adherence to the reforms by enabling efficient exchange of all relevant claims information and documentation as well as reducing operational costs.

The overwhelming message which must be received and understood by all is that there is no time to lose, when a motor accident occurs it must be reported to insurers IMMEDIATELY.



Existing clients save money on your household insurance

With living costs at an all time high, we understand the importance of value for money. That's why we will beat your home building and contents insurance renewal quote by at least £20* and give you £120 worth of extras including:

Legal Expenses Cover

With our free legal expenses cover, it will ensure you and your family are protected against a variety of legal costs including disputes involving your home, family and employment up to £50,000. Subject to £50 excess.

Home Emergency Assist

What's more, you will receive our Home Emergency Assist product for free! If you suffer an emergency at your home, we will give you 24/7 access to reliable tradesmen and pay up to £300 towards your call out charge and replacement parts. Now that's cause for celebration!

Identity Theft Assistance

Our Identity Theft Assistance will help restore your legal and credit position with 24-hour Assistance from lawyers and insurance to cover legal fees if you fall victim to identity theft.



Don't forget, we don't only offer home insurance! As independent insurance brokers, we have access to a wide range of insurance products for both personal and commercial lines.

For more information about this special offer or for a full product summary please contact us.

* Terms and Conditions

We will beat your current insurer's renewal quote with cover on a like for like basis by a minimum of £20, provided that you give written proof of the other insurers cover and premium. This offer is only available to clients over the age of 30 years old and who have been claims free for three years. Cover is available subject to underwriters terms, acceptance and conditions. This offer can be withdrawn at any time.

Fraudsters targeting motorists in staged accidents

As repugnant as it is to the majority there are those willing to prey on innocent motorists in order to make a profit, wilfully putting their victims' lives at risk when doing so. Induced accidents are a scourge and a reality that is becoming ever more common.

It is estimated that up to a staggering 2000 bogus incidents are reported to insurers each week. Research suggests that 5% of male drivers and 2% of female drivers were likely to have staged a motor accident. 3% of twenty-somethings admitted to having successfully made a fraudulent motor claim and a worrying 6% of those in that age bracket would consider it! The London area was shown to be the riskiest with 6% of motorists there either having committed motor fraud or being open to the idea.

In July 2006 the Insurance Fraud Bureau (IFB) was set up specifically to focus on detecting and preventing organised fraud. The IFB is a non profit organisation funded by the insurance industry which is aligned with Government objectives to protect all individuals and businesses from the effects of organised crime. You can confidentially report suspected insurance fraud by contacting the IFB on 0800 328 2550, or online at www.insurancefraudbureau.org/report.

An induced collision may include some or all of the following:

- The criminals will often use two cars when targeting their victim. These cars will get ahead of the victim the first will brake hard or make an unexpected manoeuvre, causing the second to brake hard in turn causing the victim to collide with the second vehicle.
- The first car will then make off leaving the second damaged car with its occupants clearly blaming the vehicle that has absconded and often sympathising with the innocent victim!
- There will often be multiple occupants of the vehicle.
- Driver's details are often already written down.

The above is a guide, as not all elements may be demonstrated in every instance of an induced collision.

Insurance fraud is a serious offence. The risk involved in attempting it include, a prison sentence, a recent case saw a sentence of four years being handed down following a so called "crash for cash" scam. A fraud mark on the licence which could result in existing cover being deemed void and adversely effect future attempts at obtaining insurance and not least the risk of injury to both culprits and innocent victims. Potentially a very high price to pay for a short term gain.

The more alert we all are to this issue and the more closely we all work with Police, insurers and the IFB, the more likely it is that those considering it will simply exit stage left without ever delivering their performance!

Sources: www.insurancefraudbureau.org; Crash for Cash Allianz release; Metropolitan Police release; www.DrivingSchoolsuccess.com; www.orange.co.uk/money/insurance; www.yell.com/money/blog/how

- **Staged motor accidents** – where two vehicles deliberately collide with each other in order to present an insurance claim.
- **Contrived motor accidents** – which is a fabricated claim, where an accident has never actually taken place.
- **Induced motor accidents** – being a deliberate act by one motorist which forces another innocent driver to collide with them.

Cullum Capital Ventures (CCV)

As you may be aware we are part of Cullum Capital Ventures. CCV is one of the fastest growing insurance intermediary groups in the UK, with more than 49 locations.

This coverage enables us to offer the substantial backing to a national company coupled with local service.

No.4	we are the fourth largest independently owned insurance intermediary in the UK
No.21	Insurance Times Top 50 Broker (Aug 09)
£240 million	gross written premium controlled (run rate as of Oct 09)
218%	growth income in 2008
217%	growth in trading profit in 2008
44	acquisitions successfully integrated into the group
1	new business successfully launched
49	business units across the UK
700+	people employed around the UK

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