

insurance matters

Issue 7 - Winter 2011

INSURANCE INDUSTRY NEWS FROM CCV CARDIFF



Is your
insurance
cover enough?
Could you be
underinsured?

You may have heard horror stories regarding unfortunate policy holders who make claims under their policy, only to find that they have failed to ensure that the amounts they insure for are adequate. It seems that quite often in the case of home and motor insurances when an individual makes a claim they find out that their coverage isn't enough to replace the items lost or damaged.

The problem of being underinsured worsens when you consider that many standard home insurance policies generally have limits on particular types of items. This might include bikes, items from the garden, or jewellery such as engagement rings. (Source: www.moneywise.co.uk)

What can you do to prevent this? Taking home insurance as an example, it's a good idea to take some time out to calculate the value of your home and contents. You might be surprised at how quickly things can add up. The cost to rebuild your home may have increased in recent years, so it pays to make sure that your building sum insured is high enough to be able to rebuild your home at current market prices.

If you've made any purchases such as artwork or furniture or carried out any renovations to your home since you last reviewed your insurances the sum insured may no longer be adequate.

Underinsurance of your home can have far reaching implications. Insurers may reduce any payment in relation to a claim by the percentage of under insurance where sums insured are not representative of the full value of the property, or your policy may be invalidated completely.

We would encourage both individuals and businesses to carry out an annual review with their broker for any home, vehicle, commercial and financial policies. Due to the rapid changes when it comes to coverage and cost of like for like replacements, it has become near impossible for any insurance professional to keep up with those changes in your life, without maintaining a regular stream of communication with you.

Welcome to the Winter issue of Insurance Matters

In this issue we will be looking at the effect of the budget changes on your personal and business insurances, protecting yourself, the effect of the Pensions Reforms on your business and how we can add value through our claims management service.

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

Inside this issue



Directors' & Officers' Insurance



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Added value for our customers



Pension Reform 2012



Employee "MOT"

CCV - A Powerful Ally

Protect yourself from the increasing personal risk of running a business

A common myth is that limited liability status protects directors from being sued personally – it doesn't. Claims are not only brought against directors of large public companies; small businesses are also at risk and the potential liability can be severe, both personally and professionally - we wouldn't dream of not insuring our homes, so why do so many directors expose their personal wealth to such risks? How could this affect you?

Directors' & Officers' Liability insurance is designed to protect you from the increasing personal liability faced with running a business. There are some myths surrounding Directors' & Officers' liability, namely:

Directors have limited liability – THEY DON'T!

I don't hold a title director, so I can't be held liable –YES YOU CAN!

The company can indemnify us – NOT IF IT GOES BUST!

We are only a small company – THE SAME LAWS APPLY!

They can't touch my personal assets – YES THEY CAN!

As a director, you may be personally liable to defend any claims brought against you which could leave your personal assets immediately at risk. Even your spouse or partner could be held liable. The consequences can be ruinous and could lead to:

- Disqualification as a director
- Criminal prosecution
- Personal bankruptcy
- Loss of job and reputation
- Family trauma and financial hardship

Anyone who feels that they have suffered a loss arising from the director wrongly acting in their position can potentially sue you. Claims could come from colleagues, shareholders, your company, creditors, regulators, customers, competitors and government. **This list is not exhaustive.**

If you are concerned that your company doesn't have the correct cover then give us a call now to discuss.

COST OF INSURANCE TO INCREASE DUE TO BUDGET

Families and businesses should expect an increase in the cost of their insurance because of measures in the Emergency Budget announced earlier this year.

Amongst the other tax rises and spending cuts in George Osborne's speech, it was announced that Insurance Premium Tax (IPT) is set to rise in January 2011. This is expected to raise £500 million per year for the treasury, but for many its very existence may be something of a surprise.

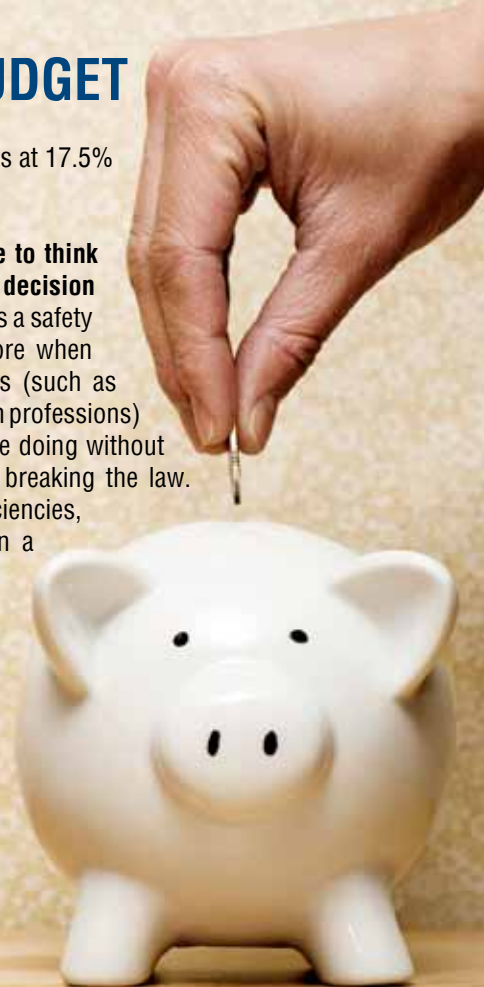
IPT is added to the vast majority of insurance purchases, but it's not always well understood. Currently, for most types of insurance 5% tax is added, but for breakdown and rescue it's the same as VAT, 17.5%. Unfortunately, as a result of the measures in the budget, consumers are inevitably going to see an increase in costs when they renew their insurance policies next year.

The basic rate of IPT is currently 5% and will rise to 6% from 4th January 2011, while the higher rate

applying to travel insurance which stands at 17.5% will be increased to a substantial 20%.

Despite the increases, we urge people to think very carefully before making any snap decision to cut their insurance cover. Insurance is a safety net which arguably is needed even more when things are tight. Many types of policies (such as motor insurance and indemnity for certain professions) are compulsory and not only will anyone doing without be running a greater risk, they will be breaking the law. There are ways of maximising cost efficiencies, such as only paying for the drivers on a policy that may actually drive; if you choose a broker that offers cover from a variety of insurers, they will negotiate on your behalf to offer competitive quotes.

We are offering both existing and new customers a free review of their insurance requirements and would be happy to talk through the implications of the increase in IPT to you or your company.



Real added value for our clients

Major events such as fire or flood will be disastrous for any business. Many businesses never entirely recover - losing orders, contracts, key employees or even going out of business, resulting in lost jobs and services to the community. Source: Arson Prevention Bureau

Correctly arranged insurance will protect the physical assets and loss of income but many businesses struggle to cope with the hidden costs associated with a claim. Time to sort out the loss, to gather information for the insurer or their loss adjuster is time lost to that business. This time could and ideally should be spent dealing with the staff, and above all the customers and suppliers all of whom require a regular stream of information and reassurance, immediately after the disaster. The sooner the business is back up and running the less the impact of the disaster will be on the business continuation.

During the immediate aftermath of an incident the pressures to get the business up and running again can place enormous stress and anxiety on even the most experienced and accomplished of proprietors. The logistics of organising staff, possible temporary premises (and the change of utilities) and the redirecting of customers will take up precious time and resources, you need a guiding hand. Insurers only pay losses; they do not advise on how to run your company and explain the best way for you to protect your ongoing business.

It is no wonder that the appearance of the so called 'ambulance chaser' loss assessor, before the emergency services have even left the scene, can seem appealing to the panic stricken business owner. These assessors normally charge a high percentage of the overall claim amount and use the situation to their advantage, whilst our experience shows that they have little and often no contribution to make towards a speedy and satisfactory settlement of a claim.

It has been suggested by the British Insurance Brokers Association that insurers are actively seeking to minimise claims costs by a significant amount in order to regain or improve profitability. Although policies will pay out in accordance to their terms and limits, this is not without requests for large quantities of information and stringent checks made by insurers and their loss adjusters.

A small additional premium investment now guarantees that expertise and immediate help when you need it most.

So what are the options for businesses wishing to prepare for the worst?

For a modest premium we can offer CCV Assist - a policy designed to provide you with access to a specialist loss adjuster who will help manage and prepare your claim. This service is available 365 days a year, 24 hours a day, ensuring that it responds to losses over £5,000 or the excess whichever is greater. Terms & conditions also apply.

The added value is that the business owner can concentrate on the



business, whilst the loss adjuster will concentrate on the claim. CCV Assist provides this service for fraction of the cost that could be incurred by appointing your own assessor at the time of a claim.

For more information on CCV Assist and the cover it provides or an instant quotation, please contact us. We will provide quotations to clients as part of our renewal service.

Pensions Reform 2012 - this will affect every UK Employer!

Background

To encourage workplace savings, The Pensions Act (2008) will auto-enrol some 12 million employees (Source: Scottish Life, 2009) who are not already making the required level of pension contributions into a Qualifying Workplace Pension Scheme (QWPS).

The onus for auto enrolling employees lies solely with their employer. The proposed rules or 'employer duties' around auto-enrolment are complicated and onerous, especially for small and medium sized firms or those with a high turnover of staff.

Will it affect my company?

Yes. It will almost certainly increase your costs and put a drain on your administration resources. The impact could be significant, especially if you do not currently make contributions to your employees' pensions or you have low take-up in your existing scheme.

Every employer will need to ensure that all eligible staff are automatically enrolled into a good-quality workplace pension scheme, with minimum contributions set at 8% of total "band earnings".

Do not wait to address this issue – the sooner you are aware of your responsibilities under the new legislation, the more time you will have to prepare for cost-effective implementation of any changes that will be required.

CCV companies are not authorised to provide advice on pensions, and this article does not constitute advice; if you are at all unsure about pension provision, you should seek the advice of a specialist

A healthy business needs healthy people

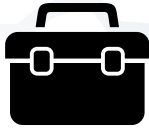
Is it time to send your employees for a health MOT?

Every car driver in the UK understands the importance of having their car serviced regularly to ensure that it's roadworthy and safe to drive, but how many of us can say the same thing about our bodies?

When companies invest in buildings, equipment and vehicles, they arrange for regular maintenance to be carried out in order to ensure continued optimum performance from these assets. But when the focus is on the bottom line, it's sometimes all too easy to overlook an equally important asset - the health of their employees.



Cardiovascular
Diseases of the heart and circulatory system are the main causes of death in the UK.



Cancers
It is important to find cancers as early as possible as in general, a good long-term outlook depends on early detection. 85% of all testicular cancers occur in men below the age of 40 years.



Diabetes
The numbers of people with diabetes worldwide and the prevalence has tripled during the last 30 years. Diabetes is a prime risk factor for heart disease, kidney failure, blindness and stroke.



Stress
Stress is responsible for a massive 46% of the total cost of work absence in the UK.

Statistics show that one-third of all people who have independent health screening checks need separate additional health advice, or a tune-up to help them deal with today's hectic lifestyle.

Health screening checks are one of the best ways for early detection of some of the common illnesses and ailments that can strike people of all ages. If medical professionals can get to these illnesses early, they have a better chance of treating people to maintain and improve their health. Just look at some of these statistics; the facts speak for themselves:

Our discounts

We have arranged preferential rates of 20%* lower than the standard rates offered by BUPA who are the largest private healthcare provider in the UK. We have a range of screening checks for both men and women and can access over 50 dedicated screening centres throughout the UK.

Screens are carried out in comfortable and welcoming surroundings with each client being assigned their own nurse to guide them through each stage of the health screen in a calm and relaxed manner. A qualified screening doctor will carry out the screen. Most of the units are able to provide preliminary results on the day.

We are also able to arrange dedicated bespoke screening programmes with other providers (including onsite screens) to suit a company's specific requirements. This could involve pre-employment screens or drug & alcohol testing and can incorporate certain healthcare benefits to run alongside the screening programme to reduce initial costs and maximise the return on investment.

*Discount not applicable if BUPA screening account already exists for the client

Don't wait until your employees break down – get in touch now to see how we can help.

Cullum Capital Ventures (CCV)

As you may be aware we are part of Cullum Capital Ventures (CCV). CCV is one of the fastest growing insurance intermediary groups in the UK currently employing over 700 people in more than 50 locations across the UK.

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

No.4 we are the fourth largest independently owned insurance intermediary group in the UK

No.23 Insurance Times Top 50 Broker (Aug 10)

£230 million gross written premium controlled (run rate as of Oct 10)

218% growth income in 2008

217% growth in trading profit in 2008

60+ acquisitions successfully integrated into the group

2 new business successfully launched

50+ business units across the UK

700+ people employed around the UK

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CCV Cardiff
Insurance Brokers

4 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ
Telephone: 029 2044 4555
Email: tim.rees@ccvcardiff.co.uk
Web: www.ccvcardiff.co.uk