



DID YOU KNOW?

On 1 November, the Information Commissioner's Office (ICO) launched a dedicated advice line for the forthcoming General Data Protection Regulation (GDPR). Even though the ICO has already released other [GDPR resources](#) for SMEs, the helpline provides personalised GDPR advice to SMEs. To receive additional, bespoke GDPR advice, call 0303 123 1113.

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Addressing the Elephant in the Boardroom: GDPR Preparation

A significant number of UK boardrooms are unaware of the GDPR and its financial implications. Do not let your organisation be unprepared; adopt the provided GDPR guidance.

Paradise Papers and Complying with the Criminal Finances Act

Especially in light of the Paradise Papers, it is critical that all organisations adhere to the recently enacted Criminal Finances Act.

Don't Make This Common Underinsurance Mistake

Your organisation may be guilty of making this common underinsurance mistake. Continue reading to find out what you can do to make sure that you are adequately insured.

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Addressing the Elephant in the Boardroom: GDPR Preparation

Only 10 per cent of UK boardrooms are involved in the General Data Protection Regulation (GDPR) compliance process right now, with only about six months to go until the GDPR becomes law, according to research from security software and solutions provider, Trend Micro. What's more, 56 per cent of UK organisations are unaware that email marketing databases count as personal information under the forthcoming regulations. Such ignorance could be catastrophic, as 73 per cent of UK organisations do not know that GDPR fines for non-compliance can top out at €20 million, or 4 per cent of global turnover, whichever is higher.

Even though the 25 May 2018 deadline to comply with the GDPR is rapidly approaching, your organisation still has time to comply. To help you complete this process, implement the following practices:

- Complete the official [GDPR self-assessment](#) from the Information Commissioner's Office (ICO).
- Review the [ICO's 12 recommend steps](#) that you should take right now.
- Prioritise cyber-security at the highest level of your organisation by building cyber-governance into your organisational structure. Emphasise that cyber-security and GDPR compliance is the entire organisation's concern, from board members down to interns.
- Review your organisation's process for collecting clients' consent. Whatever your process may be, it must provide an active opt-in. Additionally, keep well-organised records that clearly outline what individuals have consented to, what they were told, and when and how they consented.
- Purchase a comprehensive cyber-insurance policy, which can provide cover for management liability, reputational damage and privacy breach costs.

For more information about what your organisation can do to become GDPR compliant, contact the professionals at **Crendon Insurance Brokers Ltd** today.



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Avoid This Common Underinsurance Mistake

Even though you may not be aware of it, your organisation may be guilty of making this common—yet costly—mistake. According to research from the Chartered Institute of Loss Adjusters, 43 per cent of business interruption policies were underinsured by an average of 53 per cent. Underinsurance occurs when a business has insufficient cover to meet its needs, whether that means its assets are valued and insured at less than their true value, its limit of indemnity is too low or its maximum indemnity period is too short.

Unfortunately, it is easy for your business to be underinsured if you do not plan for the worse—even if you believe it cannot happen to your business. To ensure that your organisation has the proper amount of cover, take the following precautions:

- Review your business interruption policy at least annually to ensure that all your information is up to date.
- Provide the cost of rebuilding the property (including the costs of demolition, materials and professional fees) to your broker rather than the market value or the amount you purchased it for.
- Calculate and use your actual total revenue.
- Conduct regular, accurate valuations of your business and property.
- Determine an appropriate indemnity period that allows your business enough time to recover.
- Review your policy wording to ensure that you have the broadest cover possible.
- Increase your sum insured to reflect inflation.

For more information about how you can protect your organisation from underinsurance, contact the insurance professionals at Credon Insurance Brokers Ltd today.

Paradise Papers and Complying with the Criminal Finances Act

The Paradise Papers are a collection of 13.4 million confidential electronic documents that provide information—including the identities of shareholders and directors—for more than 120,000 individuals and companies with offshore investments listed by the offshore law firm, Appleby, and corporate services provider, Estera. The information in these documents is concerning, since an offshore company, sometimes called a ‘tax haven’, can help investors deposit large sums of money that is exempt from taxes.

Coincidentally, before the release of the Paradise Papers, the Criminal Finances Act (CFA) came into force on 30 September. The CFA is a part of a larger government initiative to encourage greater corporate social responsibility and transparency by creating ‘a more hostile place for those seeking to move, hide, or use the proceeds of crime and corruption’.

Under the CFA, the UK government will have the authority and tools to discover, investigate and penalise money laundering, tax evasion, terrorist financing and other corrupt practices. With these tools, the government has the ability to hold corporations, along with employees, accountable for failing to prevent the facilitation of tax evasion. The CFA is not limited to corrupt practices within the United Kingdom, and corporate entities can also violate the CFA if they engage in corrupt practices in foreign territories. Penalties for these offences include unlimited financial penalties as well as ancillary orders, such as confiscation orders or serious crime prevention orders.

The CFA is yet another expansion of director liability, since the CFA holds directors and senior management liable for failing to prevent the facilitation of tax evasion. To help shield your directors and officers from liability, consider purchasing an inclusive directors’ and officers’ (D&O) liability policy.

The CFA, paired with the fallout from the Paradise Papers, emphasises how important it is for organisations to remain wholly transparent in their business operations and to prevent tax evasion.

Rising D&O Claims

IN 2016-17, **33%** OF ORGANISATIONS EXPERIENCED A CLAIM OR INVESTIGATION AGAINST THEIR DIRECTOR—AN INCREASE OF **6%** OVER 2015-16.

