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CI COMMERCIAL INSURANCE PROFILE

DID YOU KNOW?

In addition to the lost sales and business opportunities, a poor business reputation makes it costlier to attract and retain employees. According to a recent report conducted by the Harvard Business Review, a poor reputation can cost an organisation at least 10 per cent more per hire. To learn more about the potential costs of a poor reputation, continue reading.

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Don't Let Social Media Tarnish Your Organisation's Reputation

Seventy-four per cent of board members believe that reputational damage is the most concerning repercussion of an incident, according to research from the Economic Intelligence Unit. Regardless of your organisation's size, your reputation, which is intrinsically linked to your brand, is a precious commodity that is just as important to bolster and protect as your goods and services. Those tasks are made both infinitely easier and more difficult with social media.

As a tool, social media connects your organisation to potential customers around the world. Yet, it can also allow the public to just as easily tarnish your reputation by sharing an ill-conceived or objectionable business decision or action taken by one of your employees. What's more is that the potential damage that social media can cause is just not immediate, but can linger on for years as an indelible blemish on your organisation's reputation. For example, Sainsbury's experienced social media backlash after a poster encouraging employees to get customers to spend 50 pence more was accidentally posted in a shop window rather than the staff room in 2014. A picture of the poster was then tweeted, causing social media outrage. Although reputation loss is difficult to quantify in terms of loss of potential revenue and customers, it is surely felt, and the brand will always bear that mark of scandal.

Whilst your organisation may never have to deal with such a visible incident, you may have to address some kind of potentially damaging event. Safeguard your reputation by implementing the following best practices:

- **Develop a reputation policy.** This should involve a risk assessment to identify any potential gaps that could cause damage to your reputation and create solutions in order to mitigate those risks.
- **Establish a brand guide.** Compile a brand guide that outlines the tone and visual style that each piece of branded content must adhere to.
- **Monitor your reputation.** Carefully screen every piece of branded content to ensure that the message is clear and represents your organisation's values. Monitor what the public is saying about you to adjust your content.
- **Invest in insurance.** Although it may be hard to find insurance that guards your reputation, you may be able to transfer aspects of your reputational risk to other policies, such as cyber and business interruption.

For more information, meet with **Crendon Insurance Brokers Ltd** today to discuss what insurance options are available to you.

28% of Executives Say Bribery is Rife in UK

Twenty-eight per cent of UK business leaders believe that bribery and corruption is prevalent throughout the nation, according to a 2016 survey conducted by professional services firm, EY. This broad acceptance of objectionable business practices is startling—especially given the recent spotlight on corporate governance and transparency in light of the Panama Papers. It is especially interesting since the 28 per cent figure is an 18 per cent increase from the same survey last year.

Bribery and corruption are corrosive to an organisation, with the ability to erode organisational morals and introduce an overall laissez-faire attitude towards unethical business practices. They can also lead to serious fines and prosecutions. To prevent bribery and corruption at your organisation, consider adopting the following six methods:

1. **Develop a culture of integrity.** Talk to your employees about how it is everyone's responsibility—from the directors and officers all the way down to the interns—to act ethically and with integrity. This includes adopting an anti-fraud and bribery policy.
2. **Conduct a risk assessment to identify potential weaknesses in your current policies and procedures.** If you uncover any gaps, develop solutions to shore up those deficiencies.
3. **Provide your employees with anti-bribery and corruption training.** You should provide annual training that explains what constitutes bribery and corruption and how to identify and report it.
4. **Set up internal accounting controls.** Provide your accounting department with revised guidelines to easily identify potentially suspicious incoming or outgoing funds.
5. **Establish disciplinary policies for corruption and bribery.** Inform your staff members of what the repercussions would be if they were found guilty of accepting a bribe.
6. **Monitor your anti-bribery and corruption programme and evaluate its effectiveness.** Review your programme annually or after an incident of bribery or corruption to evaluate its effectiveness.

6 Best Practices to Prevent Age Discrimination Claims

The average life expectancy has steadily been rising over the past several decades, and as a result, people are remaining in the workforce longer—making organisations increasingly multigenerational. In fact, there are an estimated 1.3 million employees over the age of 65 currently employed. However, as the number of older workers has increased, so has the potential for an organisation to be served with an age discrimination claim—which cost an average of £9,000 in 2015-16.

To protect your organisation from such a claim, review the following six best practices for preventing age discrimination claims:

1. **Audit your pension scheme.** Conduct a review of your pension scheme with your advisers to determine whether there are any rules or practices that may be potentially age discriminatory. If there are, determine whether the provision falls within a statutory exemption or whether it is capable of being objectively justified.
2. **Carefully review benefit change exercises.** Review benefit restricting proposals in order to assess whether there could be age discrimination inadvertently included. If any are identified, verify whether there are any objective justification reasons for pursing that particular strategy.
3. **Clearly communicate with your staff about pension benefits.** All communications to employees about pension benefits should be clear and free of jargon to avoid misunderstandings. Encourage staff to talk to you if they have any concerns or questions about their pension benefits.
4. **Do not rely solely on exemptions to cover every age-related rule.** Whilst some statutory exemptions for pension practices do not constitute age discrimination, you should verify that you are not inadvertently in violation. In addition, you should remain aware of wider changes in employment laws to ensure that your pension practices remain up to date.
5. **Examine your organisation's practices and provisions.** A practice or provision cannot be deemed to be age discriminatory if it can be shown to be objectively justified. In order to receive this qualification, you must prove that there is a legitimate aim being pursued and that the means of achieving that aim are proportionate. Each requirement will be investigated to ensure the validity of the claim.
6. **Be sure to consider insured benefits.** Review insured benefits—specifically ill-health and death benefits—to ensure that applicable employees remain informed about whether or not they still qualify for those benefits.

In addition to the above best practices, consider shoring up any potential gaps with employment practice liability insurance. For more information, contact the professionals at **Crendon Insurance Brokers Ltd** today.