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CIBI COMMERCIAL INSURANCE PROFILE

DID YOU KNOW?

Flood Re, the government-backed reinsurance scheme developed to help flood-prone homeowners obtain affordable flood cover, launched in April 2016 and is expected to benefit 350,000 households. But Flood Re excludes SMEs, meaning many small employers still struggle to find affordable flood cover. However, thanks to the new commercial insurance scheme launched by the British Insurance Brokers' Association on 12th December, SMEs will now find it easier to secure affordable, comprehensive flood cover. Keep reading to learn more.



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New Flood Cover Launched to Benefit Flood-prone Businesses

To ensure that flood-prone businesses are able to secure valuable flood cover, BIBA has launched a new commercial insurance scheme.

6 Ways to Reduce Employers' Liability Claims

Even with employers' liability cover, there are hidden uninsured costs. For that reason, follow these six steps in order to reduce the number of claims that your organisation receives.

New Report Shows Alarming Extent of SME Underinsurance

Even though a significant number of SMEs recognise that there are new risks threatening their business, nearly 90 per cent of them will not be expanding their insurance cover.

New Flood Cover Launched to Benefit Flood-prone Businesses

In April, the government's flood insurance scheme, Flood Re, came into force. Flood Re was developed in response to the devastating floods that have been afflicting the United Kingdom for several years. In fact, in 2015, flood damage was responsible for more than 15,000 home and business insurance claims, which amounted to insurers paying out an estimated £1.3 billion. However, whilst the not-for-profit fund has proven to be greatly beneficial for flood-prone homes, it has not offered affordable flood insurance to flood-prone businesses. That is why the British Insurance Brokers' Association (BIBA) recently launched a new insurance scheme, which will also include flood cover, for underinsured businesses—including SMEs.

This new scheme was developed collaboratively by flood risk specialists and insurance industry experts. It uses advanced mapping to pinpoint the exact location and specifications of a particular property, and then, based upon the location's specific risks and flood resistance/resilience measures already in place, helps generate a bespoke insurance policy. Businesses will even be able to choose how much financial responsibility they will bear by having the option to 'buy back' any flood excess that is applied because of the business' location.

The intention behind providing businesses with such a bespoke and comprehensive scheme is to ensure that they are more resilient and are able to quickly recover from disastrous and costly floods. This new scheme will be especially beneficial for SMEs, as it will offer cover to businesses that would not normally be able to afford insurance and/or secure cover because their location is in the midst of a flood-prone area.

For more information about BIBA's new scheme and your flood insurance options, contact **Crendon Insurance Brokers** today.



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6 Ways to Reduce Employers' Liability Claims

In 2015-2016, nearly 700,000 workers suffered an injury whilst on the job, which contributed to 30.4 million lost working days and cost the economy about £14.1 billion, according to the HSE. Because your organisation is required to have employers' liability cover, you already have cover to help pay compensation if your employees suffer a work-related injury or illness. However, there are a number of hidden costs that are not covered by insurance, such as lost production, recruitment and training expenses, and any necessary overtime pay.

To help rein in any hidden costs, consider adopting the following strategies:

1. **Conduct routine risk assessments.** One should be conducted for each piece of machinery and required task.
2. **Provide your employees with regular training.** Employees should receive annual health and safety training as well as training specific to their job requirements.
3. **Manage your organisation's occupational health programme(s).** Keep track of your employees' well-being to help identify current work processes that could be causing physical strain—allowing you to correct the processes before injuries occur.
4. **Provide adequate and well-maintained personal protective equipment (PPE).** Based upon the results of your risk assessment, provide your employees with enough PPE to safely do their jobs. This equipment should be inspected at least annually to ensure its effectiveness.
5. **Develop a thorough claims investigation process.** To ensure that you understand what happened and how to prevent it from happening again, interview everyone involved and take photographs.
6. **Keep thorough documentation.** Keep detailed notes to help shape future risk prevention strategies.

You can lower costs even more by relying on return-to-work materials that help staff get back to work quickly following an injury.

New Report Shows Alarming Extent of SME Underinsurance

New research highlights the alarming extent of SME underinsurance and the serious disconnect between SMEs' understanding of emerging risks and the actions they are taking to protect themselves.

The problem is not that SMEs deny the threat posed by emerging risks—it's that they neglect to update their insurance cover to protect against the reality of emerging risks. According to recent industry research, 73 per cent of SMEs recognise that there are new potential risks to their business that were not present when they first opened, yet 82 per cent of them have not altered or increased their insurance cover to defend against these risks. What's worse, only 14 per cent of SMEs plan to increase their amount of cover in the next 12 months.

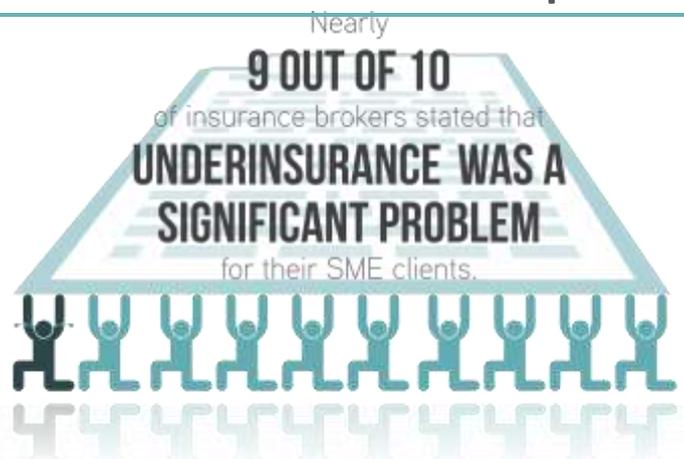
The fact that 28 per cent of SMEs say they would go out of business if faced with an unexpected bill of £50,000 helps illustrate the disconnect between understanding and action. According to PricewaterhouseCoopers, the average cost of a small business' cyber security breach is £75,000-£310,000—well above the £50,000 that would put more than one-quarter of SMEs out of business. And whilst SMEs identified the following as their top three risks, only 42 per cent are insured against them:

1. Economic uncertainty
2. Increasing market competition
3. Cash flow

Whilst understanding and acknowledging the reality of the threats facing your business is important, it is all for naught if you fail to actually take action to protect against those threats.

Thankfully, **Crendon Insurance Brokers** is here to help. To review your cover and ensure there are no gaps that expose your business to undue liability or emerging risks, please contact us at **0121 45 45 100** today.

Underinsurance Is Rampant



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