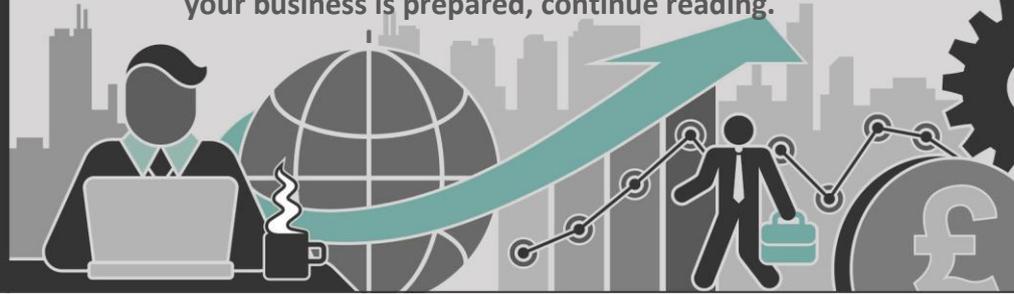


## DID YOU KNOW?

Only 29 per cent of UK businesses have started preparing for the General Data Protection Regulation (GDPR), according to a recent YouGov survey. The outlook is worse for SMEs—only 9 per cent admit to fully understanding what the GDPR means for their business, according to a recent survey from retail bank, Aldermore. To ensure that your business is prepared, continue reading.



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### Survey Highlights the High Number of Risks Facing Directors & Officers

Allen & Overy, an international law firm, recently released the results of its annual survey of directors' liabilities. Read about the results that they found.

### GDPR as a Positive Opportunity: The Easy Path to Compliance

In order to prepare for and benefit from the game-changing General Data Protection Regulation (GDPR), follow these general steps.

### The Threat of Underinsurance

Many businesses risk their own survival by remaining underinsured year after year. Read the following article to ensure that your business has adequate cover to defend against disaster.

## Survey Highlights Growing Number of Risks Facing Directors & Officers

Over the last several years, UK regulations have expanded the scope of directors and officers (D&O) liability—and that trend shows no signs of stopping, according to a recent survey from international law firm Allen & Overy.

According to the survey, D&Os are exposed to a higher amount of personal liability than ever before. Since the survey began in 2011, D&Os have become personally liable for a variety of new offences, including bribery, corruption and fraud, environmental infractions, and lax health and safety.

As the scope of liability widens for D&Os, the frequency of claims and investigations against them rises as well. In 2017, 36 per cent of UK respondents experienced a claim or investigation that involved D&Os at their company, up from 21 per cent in 2016. For D&Os in financial services, investigations against them jumped from 62 in 2015 to 152 in 2016. This follows a general UK trend, which saw a fourfold increase in D&O claims from 2005 to 2015, according to industry research.

As tougher regulations, such as the GDPR, place more responsibility on businesses, D&Os could be held personally liable for failing to prioritise compliance at their organisations. These fears are reflected in the survey's top five risks facing directors, which include the following:

1. Regulatory and other investigations and inquiries
2. Cyber-attacks
3. Risk of data loss
4. Criminal and regulatory fines and penalties
5. Concerns in a post-Brexit landscape

In order to safeguard your business along with your directors and officers, it is essential that you purchase a comprehensive D&O insurance policy. For more information about D&O insurance, contact the professionals at *Crendon Insurance Brokers Ltd* today.

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## The Threat of Underinsurance

Many UK businesses risk their own survival by remaining underinsured. This 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, underinsurance is a widespread and persistent problem, and a disaster can strike at any moment, leaving businesses—like yours—vulnerable to complete destruction.

Businesses can be underinsured for many reasons. Often it is because business owners think that a major loss event will never happen to them, so they do not need comprehensive protection. Yet, inclement weather, a cyber-security hack or a fire can destroy any business.

To discover whether your business may be underinsured, consider the three most common areas of underinsurance:

- 1. Property:** According to the Building Cost Information Service, up to 80 per cent of the United Kingdom's commercial properties are thought to be underinsured. Business owners often only consider market value rather than reinstatement and replacement costs for material damage. Failing to regularly reassess the value of your property and adjust your policy could lead you to being underinsured.
- 2. Business interruption:** The inability to maintain business operations in the wake of crisis can be devastating. Possessing a current continuity plan to cover a crisis is essential. To ensure that your cover is adequate, check that all your costs are included in your sums insured as well as a sufficient indemnity period.
- 3. Liability:** One of the most common causes is that business owners forget that a single incident can often involve multiple claimants. Ensure you are covered for every liability scenario.

## GDPR as a Positive Opportunity: The Easy Path to Compliance

On 25 May 2018, the General Data Protection Regulation (GDPR) comes into effect in the EU and across the United Kingdom. The GDPR replaces the Data Protection Act (DPA) and ushers in expanded rights to individuals and their data, and places greater obligations on businesses and other entities that process personal data.

Even though GDPR compliance may seem like a daunting task, instead think of it as a positive opportunity. In fact, experts have argued that the GDPR is—in fact—a marketing opportunity. While competitors fret over how to comply, be proactive by cleaning your prospecting list, which will allow for targeted marketing that builds trust.

Use the next several months to audit your data and get consent from prospects and clients. Doing the work now will ensure that come May 2018 your prospecting list is clean, targeted and efficient. Consider using content to incentivise consent, which positions you as a thought leader and promotes trust and transparency with your contacts. To help you become GDPR compliant, follow these 6 steps:

- 1. Awareness:** Make sure that your organisation is aware that the law is changing.
- 2. Information you hold:** Document what personal data you hold, where it came from and with whom you share it.
- 3. Communicating privacy information:** Review your current privacy notices and put a plan in place for making any necessary changes.
- 4. Individuals' rights:** Check your procedures to ensure they cover individuals' rights, including how you would delete personal data or provide data electronically in a commonly used format.
- 5. Subject access requests:** Update your procedures and plan how you will handle requests within new timescales.
- 6. Lawful basis for processing personal data:** Identify the lawful basis for your processing activity in the GDPR, document it and update your privacy notice to explain it.

To see the Information Commissioner's Office's full 12-point checklist for complying with the GDPR, [click here](#).

**If hit by a substantial GDPR fine, 21% of UK businesses would make small-scale headcount reductions and 10% would cut staff by significant numbers in order to keep their doors open.**



# CI PROFILE