

## Business Insurance from Commercial Insurance Services

### What to do if you missed the 21st May deadline

**Businesses had until 21st May to comply with new legislation on asbestos or risk heavy fines. We outline the steps to take if you missed this deadline.**

Around 3,500 people die each year from mesothelioma and lung cancer as a result of past exposure to asbestos fibres. This makes asbestos the greatest single cause of work related death in the UK.

So to protect employees and contractors against asbestos new legal requirements were introduced in November 2002. The Control of Asbestos at Work Regulations gave a deadline date of **21st May 2004** for businesses to comply.

The regulations apply to employers, property owners, developers and local authorities. So, whether you are a landlord or a tenant, you have a legal responsibility to ensure compliance. Failure to do so will result in heavy fines, and this may make it harder to get employers' liability insurance at an acceptable price.

The key steps to become compliant are:

1. conduct an assessment of the premises
2. prepare a register
3. undertake planned remedial action or removal.

If you've not yet done an assessment, then as well as putting employees and contractors at risk, this could be financially disastrous for your business. Whilst employers' liability policies still cover asbestos related illness, it is now excluded from nearly all public liability covers.



This means that if a contractor or visitor to the premises inadvertently comes into contact with dust, and sues, there is unlikely to be insurance protection to cover any compensation awarded.

So, if you own, or occupy, commercial premises which were built prior to 1990, and haven't yet carried out an assessment, you should do so immediately.

If any asbestos is discovered you need a plan of action to remedy, or remove it. In the meantime you should operate a blanket ban on contractors or employees carrying out any repairs to the property.

Please contact us quickly if you need any help, or if you encounter any problems, and we will try and arrange the appropriate insurance protection.

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**9 questions you should ask to protect your business**



**What's your home worth?**



**We're meeting the new standards with open arms**

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# 9 Questions you should ask to protect your business

Recent high profile events including blackouts in the UK and US, acts of terrorism, explosions in plastic factories, and flooding, all highlight the importance of having appropriate cover and continuity plans in place.

These events can make a number of business owners consider what would happen if something similar occurred to their business.

If disaster strikes it's possible that while you may not be the direct target, there could be one located nearby. What happens if you are in a cordoned off area or if you are affected by a lack of power supply?

The important issues surrounding any type of catastrophe should not be overlooked simply because they haven't

happened. By considering the day-to-day threats you can protect your business, and show insurers that yours is a well managed risk.

It may be that such an event would be so traumatic that it will be impossible to contemplate trading again. However, if there is a will to carry on, insurance should be there to provide the financial resources to build the business back again.

## THE QUESTIONS THAT NEED TO BE ASKED BEFORE DISASTER STRIKES ARE:

1. Is the sum insured on my policy sufficient to rebuild the premises and replace its contents, especially as the authorities are likely to impose a number of conditions on any rebuilding process? These are likely to substantially increase the cost.
2. Is my loss of profits policy adequate to cover me for loss of income whilst the business is being rebuilt, customers won back, and profitability restored to pre disaster levels? This may take some time in view of potential accident investigations and planning delays.
3. Have I got a proper Disaster Plan to cope with an emergency and a Business Continuity Plan so I can carry on some element of business?
4. Is my level of Employers' Liability insurance sufficient to recompense all my employees if I am found to be responsible? The standard limit under most policies is £10m, which may prove to be inadequate for a major incident.
5. If it is inadequate, what will happen to my employees if I have to go into liquidation?
6. How do I look after my employees whilst the legal process takes its long path to completion? A large number will need care and will have families to support.
7. Do I make absolutely sure that a competent person regularly inspects any equipment and machinery?
8. Have I got sufficient cover to protect me from claims if the premises of neighbouring businesses are damaged or forced to close for a period?
9. How will I replace the key people who are killed or badly injured?

For further information on how to protect your business against disaster please contact us. We can advise you on how to be prepared, and how to minimise the risks to your business.





# WHAT'S YOUR HOME WORTH?

*The continuing boom in house prices has placed more and more properties into higher value brackets, and people's income and assets are also increasing. It can be difficult to put a price on your personal possessions, with the result that your home and its contents may be substantially undervalued.*

However, there are steps that you can take to be confident that your home and its contents are appropriately insured.

This particularly applies if your assets are in excess of those covered under a 'standard' insurance policy. And if you have fine art, antiques, jewellery, heirlooms or valuable collections then you will also probably need specialist insurance cover.

As well as checking what your insurance covers, you need to be sure your policy provides a high enough level of cover. Otherwise if you need to claim, you could find your insurance will not pay the full replacement cost of your home and contents.

We are regularly asked to provide personal insurance advice to individuals whose personal wealth has increased, or is already firmly established. And to ensure policies provide the correct level of cover for your home we can appoint a valuation expert to provide a specific assessment.

Assessing rebuilding costs correctly can be a complex process, particularly with

an older or listed property, so you need professional advice.

Contents also require specialist appraisal, and you should expect to obtain a detailed item by item costing. By taking photographs of individual items you will have a valuable record, should the worst happen. Having this visual record can also speed up the claims process.

It is important to note that fine art, antiques and jewellery collections can often outstrip the value of the building in which they are housed. All valuations require updating regularly, to keep cover in line with market changes. Market prices can move very quickly - due to the death of an artist, recent exhibitions or purchases by prominent collectors. Birthdays, anniversaries and Christmases also add to the list of possessions.

And if you are worried about the risks to your home, or to its contents, we can arrange for a risk manager to visit. They will advise you on matters such as home security and fire limitation, to ensure you have taken the necessary precautions.

Insurance can never fully compensate for the loss of a cherished home or valued possessions. But it can help to reduce the distress, providing the correct level of cover has been secured.

To find out if your home insurance is right for you, please call us and we'll be delighted to advise you.



# We're meeting the new standards with open arms

From 14th January 2005, any firm that advises individuals and businesses on their insurances will be regulated by the Financial Services Authority (FSA). Advice on life insurance, investments and pensions has been regulated for a number of years. And from 14th January this will be extended to include insurance on cars, homes and businesses.

This move is designed to establish a common standard throughout the EU, allowing insurance brokers to advise on insurance throughout the Union. Whether or not we wish to operate in France or Germany is irrelevant, we will still need to comply with the new regulations. From 2005 it will be illegal to offer advice without being authorised, ensuring that only the best insurance brokers can continue to operate.

The deadline for firms to apply for authorisation was the end of July, and you'll be pleased to know that our application was submitted well before this date.

To become authorised we must be able to demonstrate that:

- We are fit persons to operate an insurance broking business.
- Our staff are competent to give advice on all insurance matters.
- We follow a process to understand the risks you face, and can provide you with solutions for your acceptance or refusal.



- We meet certain financial criteria.
- All premiums you pay to us are banked in a separate trust account, which belongs to you or your insurer.
- We hold a certain level of insurance ourselves, to protect you if you need to sue us for negligent advice.

- We subscribe to an Ombudsman Scheme, which will arbitrate on any complaints you have against us, with their decision being binding on us.
- We agree to pay into a fund to compensate clients who lose out because their insurance adviser goes into liquidation.

For us, the impact is low, as we already comply with most aspects,

and we have been working for some months to ensure we can demonstrate this to the FSA. Consequently we are confident of receiving full authorisation, and continuing to provide you with expert, independent insurance advice.

If, in the meantime, you'd like more information about our preparations for FSA regulation please don't hesitate to contact us.