



TYSERS

**BUSINESS INSURANCE SOLUTIONS  
INSURANCE COVERS GUIDE**

TYSERS INSURANCE BROKERS

## INTRODUCTION

The covers required by businesses vary, depending entirely on several key factors including organisational structure, locations, assets, products, services and operations. Our expert Client Directors and Brokers will work closely with your business to identify and agree the most appropriate and comprehensive insurance solution.

This detailed guide outlines the **main covers** we offer. This is not an exhaustive list and if you have a risk which is not covered in this guide please speak with one of our specialist advisers, who will help identify a solution.

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Our Client Directors and Brokers serve business clients and private individuals across the UK and are supported by claims and administration teams from our three main regional offices.

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## ACCIDENT & ILLNESS PROTECTION

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Employers can purchase this type of insurance protection. The policies pay the compensation should they or one of their employees be unable to work as a result of Accident or Illness.

Policies usually cover **Temporary Total Disablement** because of accident or illness. So, incidences where the insured is expected to recover. Benefit in these cases are usually paid as a daily or weekly benefit and **Permanent Total Disablement** (for example loss of sight, loss of limb and even death). Lump Sum benefits are usually paid for Permanent Total Disablement.



## GROUP PERSONAL ACCIDENT & TRAVEL

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Personal Accident and Travel policies are often combined into a single group policy for business purposes. Personal Accident provides payment when there is a serious injury to an employee, while Travel covers employees on business travel, generally on a 12-month multi-trip basis. Cover typically includes medical expenses including treatment or emergencies, loss or theft of possessions, travel cancellation or curtailment. Often assistance and crisis containment can be included services as well as the core insurance cover.



## KIDNAP & RANSOM/SPECIAL CONTINGENCY RISKS

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Kidnap and Ransom is a specialist form of crime coverage, insuring against loss by the surrender of property as a result of a threat of harm to a named insured or employee. Special Contingency insurance can cover a broader range of threats, including extortion, hijack, detention etc. Often a key part of the service for these covers is expert assistance in the event of an incident or threat. This can also be an important part of ensuring that the Company is fulfilling its duty of care to employees by providing a safe place of work.



## INCOME PROTECTION

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This cover provides a financial benefit, as well as rehabilitation support, if an employee is unable to work for an extended period because of illness or injury. As such it is both an employee benefit, and helpful for the company in managing and minimizing the absence.



## EMPLOYEE HEALTHCARE

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Health insurance or Private Medical Insurance (PMI) is a type of insurance coverage that covers the cost of an insured individual's medical and surgical expenses. ... Depending on the type of health insurance coverage, either the insured pays cost out of pocket and receives reimbursement, or the insurer makes payments directly to the provider.

Policies can be purchased to cover specific conditions only, so for example, dental treatment, surgical procedures only, orthopaedic treatment or cancer treatment. There are a wide range of Private Medical Insurance products and Healthcare Plans available. They can be purchased by an employer, as a insurance scheme, to protect the health and wellbeing of their employees (many employers offer Private Medical Insurance as an employment benefit) or by individuals and families.



## BUILDINGS & PROPERTY

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We are fortunate that most modern property insurances are arranged on an All Risks basis rather than traditional Fire and Perils contracts. This is not to say that all risks are covered as there will inevitably be restrictions and exceptions. Our job is to thoroughly understand your needs whether it be as an occupier of premises running a business or possibly as a Landlord with various property exposures.

Whatever the situation we will review your requirements and offer the most appropriate cover at a competitive cost. Insurers now offer a bewildering number of policy extensions which may or not be appropriate to your business and we will take the time to review these with you to ensure you have the cover required to protect your assets.



### TERRORISM

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Standard property and liability policies usually exclude terrorism, but this can be separately purchased either as a standalone policy or extension to existing cover. Historically there were few insurers involved in this market but this has changed over the past few years and now we have access to a number of insurers willing and able to assist. Most insurers providing commercial property and business interruption insurance in the UK are members of Pool Re (a government backed scheme) and have agreed to offer terrorism cover, as defined under the scheme, to any client or prospective client who requests it as part of the relevant commercial policy they issue.

Wordings and premiums vary and we will review the options according to your requirements.



### LANDLORDS BUILDING INSURANCE

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In most circumstances a tenant will have a repairing lease and a consequence of this arrangement may be that you become responsible for damage caused by any uninsured risks. It is therefore essential that details of the cover arranged by the landlord or freeholder is provided and that insurance is arranged for any missing perils. We will be pleased to undertake a review of any such policies and report back to you accordingly.



### COMPUTERS

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An important insurance to consider given the increasing reliance of business on IT, this can provide cover for hardware and software, and include loss, damage or corruption. Cover can also extend to include reinstatement of data and increased cost of working following a loss.



### SUMS INSURED & UNDER INSURANCE

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In common with most contracts your property policies will include the usual under insurance clause (Pro rata condition of Average). In cases where the total value at risk exceeds the sum insured a claim for partial loss will be reduced as a result. A simple example may assist:-

Value at risk	£ 1,000,000
Sum insured	£ 500,000
Amount of loss or damage	£ 100,000
Amount payable by insurer	£ 50,000

It is therefore very important to ensure that your sums insured are adequate for the full reinstatement of your property and as such we would recommend you to review these and advise if any increases are required. We have relationships with several professional valuers who we are happy to introduce if required.



# BUSINESS INTERRUPTION

Often referred to as “Consequential Loss Insurance”, this cover is generally regarded as an essential component of any companies insurance portfolio. In the event of loss or damage to property there will almost inevitably be additional costs expended in protecting your business as well as a loss of revenue or gross profit. Cover is readily available in the market and will generally be underwritten by the property insurers.

The risks insured will typically follow the property policy.

As well as making the initial choice to purchase this cover there are other areas of consideration under Business Interruption that need to be made as follows: -

## ■ INDEMNITY PERIOD

In the event of a loss the indemnity period chosen must be adequate to reimburse you for your loss of income.

Most policies have an indemnity period of 12 months but consideration should be given to longer periods up to 36 months.

It is important to consider carefully how a loss could affect the on-going activity of the company, and how Business Interruption insurance can play a role in helping you to recover from the loss.

Often it can be hard to consider the consequences of a loss before it happens, but it is important to think through as much of the detail as possible in advance to ensure that you purchase a long enough indemnity period to allow you to fully recover.

It is not simply a case of how long it would take to rebuild a factory, warehouse or similar following a total loss. Further points to take into account include:

- Lead times for any critical equipment, particularly where specialist equipment requires specific suppliers
- Getting a new site ready for production, e.g. any certifications needed, and associated lead times for scheduling
- Customer relationships and how these can be maintained / how long they may take to re-establish, for example losing shelf space in major retailers
- Supplier relationships and whether an extended interruption in production could be managed by stockpiling, or whether new supplier relationships would need to be established
- Additional time to re-stock the distribution chain.
- Additional costs and expenses incurred to prevent loss of revenue or profit.

It is important to think through in detail with your insurance and risk management advisers how a likely scenario would play out, and make insurance buying decisions from an informed position.

## ■ BUSINESS INTERRUPTION EXTENSIONS

### FULL PUBLIC UTILITIES EXTENSION

Cover is available against the failure of the supply of Public Utilities (i.e. gas/electricity/water/telecommunications).

In a business, which is reliant on public utilities and where a prolonged failure could have serious implications, this cover is invaluable.

The cover can be arranged for damage occurring just at the premises of any public supply (i.e. sub-stations) but can also be extended right up to your terminal ends (i.e. including the power/telephone lines themselves).

### DENIAL OF ACCESS

In the event of damage at neighbouring premises you may be prevented from gaining access to your premises and consequently suffer a loss of business. Cover is readily available to protect your business in the event of such damage.

- Damage at Customers Premises
- Damage at Suppliers Premises
- Contract Sites
- Transit

Property damage at other locations can often impact upon trading companies and there are a number of extensions available for such events. Essentially insurers will regard damage at other locations as being damage at the “insured location” and deal with the claim accordingly. The impact of such losses on your business needs to be fully discussed and we will be pleased to assist in this respect.

## ADVANCED PROFITS

Whilst not widely purchased it is important to appreciate that cover is available to provide protection for future loss of income or expenses following an insured loss to the Contract Works. This can be significant if a major loss occurs towards the end of the contract with exposures including future expected rental income, continuing interest payment and the like.

## FOOD POISONING, NOTIFIABLE DISEASES, MURDER & SUICIDE

In the same way as damage at other locations may occur you could suffer a loss of income if one of the above events happens. The extensions for food poisoning and notifiable disease are particularly important to anyone in the food and entertainment sector and we regard the covers as essential.

## GROSS RENTALS

As an alternative to providing this cover under the Property policy it is possible to purchase specific cover for Gross Rentals as a Business Interruption item. The cost is invariably the same but with the difference that cover continues (subject to Indemnity Period) until the property is re-let. This is in contrast to cover ending when the property is reinstated under the alternative basis.

## LOSS OF ATTRACTION

This Business Interruption insurance covers the insured where an event not causing damage to the company itself nonetheless leads to a loss of custom, for example a nearby terrorist incident impacting on a hotel's custom and hence profits. It is important to consider potential triggers and their impact and ensure that the cover is tailored to the risks.

## LOSS OF LICENSE

Designed for companies which require a license for music or alcohol to operate its business this insurance can provide cover for financial losses incurred when such license is withdrawn.

## INCREASED COST OF WORKING & ADDITIONAL INCREASED COST OF WORKING

Under the Business Interruption section it is possible to purchase Additional Increased Cost of Working cover over and above that provided by Gross Profit or Gross Revenue cover. This extension will provide cover for additional costs to keep the Company running, irrespective of whether this is economical in terms of lost profit.



## LOSS RECOVERY INSURANCE

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As part of the services of a professional insurance broker we provide a full claims service from initial notification until final settlement, this is highlighted in more detail later.

There are however incidents where specialist personnel are required both to quantify a claim and to assist in settlement. At this stage the involvement of a Loss Assessor can be invaluable in ensuring you receive a prompt and equitable settlement from insurers.

Whilst Loss Assessors can be engaged post loss they will normally charge a fee of between 5% and 8% of the final claim settlement. This can be significant.

Alternatively your insurance can be extended to include Loss Recovery, which provides you with the services of a claim consultant to prepare and negotiate your insurance claims with your insurance company for the majority of property and business interruption losses that exceed £5,000 including:

- Personal attendance at all meetings with the insurance company's representative on your behalf
- Preparation of inventories for damaged and stolen property
- Liaison with accountants to prepare loss of profits claims where applicable

Our experience has shown that this cover can be invaluable in the event of a significant loss and we would strongly recommend that it be included within your insurance protection going forward.



## BONDS

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Increasingly contractors are being required to provide a variety of Bonds such as Performance or Retention Bonds. Historically these have been provided by banks which uses up valuable cash and overdraft facilities and can place cash flow under considerable strain.

We have, however, now set up a facility with a select number of Insurers to provide bonds to our existing commercial clients to replace these Bank Guarantees and free up valuable working capital. This method of arranging bonds has the benefit of improving your cash-flow by freeing up your overdraft facility and also improving your Balance Sheet with the amount of the bond no longer shown as an overdraft amount.

Where possible we try to provide a bond facility in advance so that the bonds are available immediately, as they are required. By setting up a facility it avoids the delays that can occur on contracts where you need to move quickly to avoid payment or contractual delays. Tysers can also arrange Duty and other Government or Local Authority Bonds. If such a facility is of interest we would be pleased to progress accordingly.



## LATENT DEFECTS/STRUCTURAL WARRANTIES

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Historically Structural or Residential Warranties have been provided solely by NHBC.

In more recent years the market has expanded and we are able to access all of the potential markets. Most contractors will only have access to a single market.

This enables us to review the possible alternatives and thereby provide the most competitive option depending upon the actual contract being undertaken and your needs in terms of cover.

If you are involved in any form of new building or major conversion of use then you will have need of this service and we will be pleased to discuss and advise as required.



## DEFECTIVE TITLE

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This provides cover for problems arising out of property transactions, potentially including where there is an actual or perceived issue with the title of a property being sold, or an issue where covenants may not have been observed.



## CHANCEL LIABILITY

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The requirement for such cover is becoming increasingly rare. However if you are a landowner you may have a legal obligation to contribute to the repair of an Anglican parish church. This insurance provides cover in the event such a payment is required of you.



## HOSTILE TAKEOVER

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This provides cover against the various direct costs associated with defending against a hostile takeover. Fees covered can include various legal fees, investment bank fees, as well as public relations costs.





# CONTRACTORS ALL RISKS

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In essence Contractors All Risks insurance is a property based contract with certain extensions providing cover to meet your contractual obligations. Various covers are available under this heading: -

## ■ CONTRACT WORKS

From the moment that a contract is awarded there will be an exposure in respect of the Works especially relative to unfixed materials on site. Policies can be arranged to provide cover for the Works as they progress and up to the date of Practical Completion. The policies can be further extended to provide ongoing protection during the appropriate maintenance period.

The majority of wordings can also include the completed properties if required and if built on a speculative basis subject to certain timescales and agreement.

Policies traditionally include storage on site and in transit for unfixed materials. Policies can also be extended on request to include storage of such materials destined for inclusion in the Works whilst off site.

## ■ OWN PLANT & EQUIPMENT

These policies can be extended to include your property insurance for any plant and equipment owned by you.

## ■ HIRED IN PLANT & EQUIPMENT

Cover can be provided for any plant and equipment that you may hire in for use on site. Under the majority of hire conditions you will be responsible for providing property insurance from the time of delivery until formally collected or returned to the hirer.

Conditions can vary in terms of the basis of cover required although traditionally the policies will only provide Indemnity cover.

Finally most conditions will impose a responsibility upon you for continuing hiring charges. This exposure can be protected under the policy upon request.

## ■ EMPLOYEES TOOLS

Whilst not compulsory many employers decide to include an element of cover for their Employees Tools whilst on site. This can be provided upon request.

## ■ TEMPORARY BUILDINGS & SHOW HOMES

These policies can be extended to provide property insurance for temporary buildings such as site huts and containers as well as show homes and also the contents thereof.

## ■ PROJECT INSURANCE

Becoming more common is the choice to insure larger one-off contracts on a specific project policy. This provides cover for all parties included in the contract for Public Liability, Non-Negligence and Works. These policies avoid the possible issues that otherwise exist with differing sub-contractor insurance levels and confusion over where liability rests between main contractor and the various sub-contractors.

On larger contracts this can be a more competitive and comprehensive way of providing the insurance.

Cover would usually not include Employers Liability as this would still be the responsibility of the individual employers/contractors.

## ■ JCT CLAUSE 6.5.1

Joint Contractors Tribunal clause 6.5.1, requires insurance to be arranged, in the joint names of the employer and contractor, to protect the employer in respect of their legal liability for injury or damage to any property, other than damage caused by the negligence of the contractor or sub-contractor. This cover is normally only provided when specifically requested under contract. Policies can be arranged individually with any insurer but in most cases the existing Public Liability insurer issues such policies to avoid falling between two stools at the time of a claim.



## HIRED IN PLANT

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It's not only contractors who become involved in hiring plant and equipment. Companies regularly hire machinery and plant. A separate 'Hired In Plant' policy covers legal liability for items that are hired, and avoids the need to pay the hire company for insurance each time an item is hired. It can also be extended to include continuing hire charges between the loss date and replacement of the item.

### ■ LIABILITY FOR CONTINUING HIRE CHARGES

Generally an extension to general Hired in Plant cover, this will cover the ongoing hire charges, up to a maximum indemnity period, usually 3 months.



## ENVIRONMENTAL LIABILITY

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This provides cover for claims for clean-up, bodily injury and property damage arising from pollution. Cover under Public Liability policies is usually limited to pollution which is "sudden unintentional and unexpected". Wider historical pollution cover is available from specialist insurers under a specific policy called Environmental Impairment. Given the different timescales when this kind of damage can occur, this cover can be bought with a retroactive date, and/or with an extended forward-looking date until which impacts will be covered.

### ■ WHAT TYPES OF COVER CAN ENVIRONMENTAL LIABILITY INSURANCE PROVIDE?

Policies can provide a variety of different types of cover dependent on your exposure, including:

- Own or third party clean-up costs
- Costs for actions required under environmental legislation
- Business interruption expenses
- Third party bodily injury and property damage claims
- Legal defence costs
- Investigation costs
- Bio-diversity damage or environmental damage to protected sites or sites of scientific interest

### ■ WHY MIGHT YOU NEED ENVIRONMENTAL LIABILITY COVER?

If your company owns land that has had previous industrial use (historical) or is at risk of causing environmental damage, e.g. through the production, handling, use or transport of potentially harmful substances then this cover may provide suitable protection. It is increasingly significant in today's world where there is significant risk of reputational damage if you are not able to respond appropriately to a harmful event.

### ■ WHAT TYPES OF CLAIM WOULD BE COVERED BY ENVIRONMENTAL LIABILITY INSURANCE?

- Harmful chemicals gradually seep from a work site into a nearby land or watercourse leading to claims from third parties. Defence costs and investigation costs to determine the source of the chemicals are covered in addition to the ultimate liability.



## CYBER INSURANCE

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These covers are designed to help your business offset the costs of recovery after a cyber-related security breach, loss of data, ransomware attack or similar event. A comprehensive cyber policy will cover you for the direct costs and liability to third parties following a cyber-attack. However, policies often exclude financial or asset losses incurred by your business following an attack.

### ■ WHAT TYPES OF COVER CAN CYBER POLICIES PROVIDE?

- Damages and defence costs following a privacy breach or loss of data
- Fines, penalties and defence costs arising from a claim by a regulator
- Costs arising from an internal investigation or enquiry commenced upon request from a regulator
- Sums required to deposit a fund for payment of consumer claims
- Costs of investigation, restoration and notification following privacy breaches or loss of data
- Costs of IT Experts and other expert third parties incurred in response to a covered loss.
- Extortion monies paid following a credible cyber threat
- Income loss, interruption expenses and additional work around costs following an interruption in service or computer system failure
- Cover for damage, theft or destruction of data and computer programmes
- Monies lost as a result of hacker theft

### ■ WHY MIGHT YOU NEED A CYBER POLICY?

Any company which holds data or relies on electronic systems to provide services may benefit from purchasing Cyber insurance. With increasing regulation extending the duties of all companies holding data, Cyber Insurance is a fast-developing product and significant enhancements have been made in recent years. This allows you to ensure you buy the correct type of Cyber insurance to meet the exposures of your particular business.

### ■ WHAT TYPE OF CLAIMS WOULD BE COVERED BY A CYBER POLICY?

- A manufacturing or delivery firm has its systems hacked and is unable to track or plan deliveries leading to significant business interruption and loss of profits
- An employee unintentionally attaches a file containing confidential and business critical client information to a marketing email sent to a large database of potential clients including competitors leading to a series of claims
- Malicious software is introduced by an unidentified third party which allows personal information stored on the company's server, including credit card information, to be accessed. Although it is not clear what data has been affected the company is advised to notify all affected individuals and conduct a forensic investigation into the situation. The insurance could cover the cost of this action.



## CRIME INSURANCE

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Protects your business against the financial losses incurred because of fraudulent activity (many policies include cyber events); criminals (including cyber criminals and employees) taking or misappropriating money, securities or property such as funds taken from your account.

### ■ WHAT TYPES OF COVER CAN A CRIME POLICY PROVIDE?

Cover generally includes:

- Employee dishonesty
- Theft
- Forgery or alteration
- Computer fraud
- Funds transfer
- Money & securities

It is also important to consider other possible extensions to a Crime policy, for example Third Party property whilst it is under your control, contractual penalties, or Business Interruption costs arising from a criminal act. Policies can also cover costs associated with investigating and limiting a loss and crisis response.

## ■ WHY MIGHT YOU NEED A CRIME POLICY?

Whilst it can be hard to appreciate that your employees would want to commit fraud or other acts to harm the company, in reality they are often best placed, with an intimate understanding of the operations and weaknesses of the company. Also, many of your other general policies may explicitly exclude criminal acts, meaning that you may not be covered for events that you thought would be picked up by other policies.

## ■ WHAT TYPE OF CLAIMS WOULD BE COVERED BY A CRIME POLICY?

- A trusted employee creates false bank accounts and raises fake invoices to steal large sums.
- A senior manager claims overtime for himself and a small number of close colleagues. As this goes on for a number of years before being discovered, the amounts claimed can be very significant
- An employee discovers that cyber thieves have been transferring money from the Company bank account.



## DIRECTORS & OFFICERS

Increased focus from regulatory bodies will require that you protect your key personnel against any legal action taken directly against them. Claims where a director's personal liability could be questioned might arise because of investors or shareholders blaming the decisions of directors for their losses or perhaps because of an investigation undertaken by regulators. Directors and Officers' insurance covers a wide range of scenarios: from the legal costs and damages where, actionable mistakes have been made, through to arranging and paying for legal representation throughout lengthy and expensive official investigations. This can include protection against wrongful acts arising from the employment process, such as accusations of sexual harassment, discrimination or wrongful discipline.

## ■ WHY MIGHT YOU NEED A D&O POLICY?

In an increasingly litigious society, there is a growing risk of directors being sued personally in matters associated with their business activities. Individuals are exposed to claims from a wide array of individuals and organisations, including from employees, regulators, customers, creditors and government agencies, all of which can be protected against by a D&O policy.

Another major advantage of having a D&O Policy is that it will give you the benefit of access to the Insurers' expert legal advice and expert professional advice in the management of the situation. This ensures that the management of the company are able to continue to dedicate the necessary resources to running the company and valuable management time is not wasted on lawyer's meetings, research, formulating a defence etc. There have been occasions where companies have ceased trading because of the drain placed on management time by defending an action without the benefit of the expert advice and assistance which a D&O Policy provides

## ■ WHAT TYPES OF CLAIMS WOULD BE COVERED BY A D&O POLICY?

- A claim against their manager from an employee due to HR issues
- Shareholder actions arising out of the management decisions of individual directors
- A director fails to comply with their statutory duties under e.g. the Companies Act 2006, the Environmental Liability Directive 2009, the Corporate Manslaughter and Corporate Homicide Act 2007 or the Bribery Act 2010
- Costs associated with an investigation by legal bodies such as HSE or a regulator
- A director breaches confidentiality provisions of a contract with a customer



## EMPLOYMENT PRACTICE LIABILITY

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Simply put, this covers wrongful acts arising from the employment process. This obviously covers a wide range of different scenarios, and the burden of proof in these cases generally sits heavily with the employer, meaning that this is an increasingly important coverage. This cover is often sold as part of a Management Liability package and can form part of D&O coverage.

### ■ WHAT TYPES OF COVER CAN EMPLOYMENT PRACTICE LIABILITY INSURANCE PROVIDE?

Cover generally includes damages, judgments, settlements and defence costs, and policies can cover Directors & Officers, Management personnel, as well as individual employees.

Scenarios that can be covered include:

- Unfair or wrongful dismissal
- Gender, age related, disability or other discrimination
- Sexual harassment
- Defamation
- Invasion of Privacy
- Wrongful failure to promote
- Deprivation of a career opportunity
- Infliction of emotional distress

### ■ WHY MIGHT YOU NEED EMPLOYMENT PRACTICES LIABILITY COVER?

Given society in general is becoming more litigious, there is a growing volume of legislation to comply with, caps on fines are increasing year on year and the public relations consequences of accusations can be extreme, this is becoming an increasingly important cover for SME's as well as large corporates.



## LEGAL EXPENSES

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All companies are today faced with a bewildering array of laws and Government legislation, all of which can detract from the main task of managing and developing a profitable business. Legal Expenses Insurance removes the financial risk and fear of being unable to defend your business adequately, of being unable to pursue your rights through a lack of funds or of having prematurely to discontinue a dispute where the probable cost of legal action outweighs the amount of risk. Insurance is now available to pay legal costs and expenses incurred in respect of the following:

- Contract Disputes Cover
- Criminal Prosecution Cover
- Employment Disputes Cover
- Tax Protection Cover
- Property Disputes Cover
- Data Protection Cover

With this form of cover it is important to realise that immediate notification and involvement with insurers is key to the process.



## ENGINEERING RISKS

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### ■ MACHINERY BREAKDOWN

This protects against sudden or unexpected breakdown or loss of machinery or other equipment allowing you to repair, replace or be paid the value of the machinery at the time of loss. This cover would not protect you against breakdown which is due to wear and tear or gradual deterioration.

### ■ MACHINERY BREAKDOWN CONSEQUENTIAL LOSS

Sudden or unexpected breakdown of machinery or equipment can have a significant impact on business operations. The following loss of profits or revenue can be insured under this cover.

## ■ STATUTORY INSPECTION SERVICE

There are statutory requirements to inspect particular types of equipment that have more potential to cause injury. Annual inspection services can also be bought with an insurance to transfer the risk of incurring costs when items need action following inspections.

## ■ ADVANCED LOSS OF PROFIT (DELAY IN START-UP)

This provides cover when a project, for example construction or infrastructure, takes longer than planned, causing a financial loss. The triggers may vary depending on the project and the relationship of the insured to the project, and generally the cover is for the Gross Profit only.

## ■ MACHINERY MOVEMENT

Provides cover for loss or damage while machinery is being moved. Cover can be bought to include erecting, installing, dismantling etc.

## ■ MACHINERY ERECTION & COMMISSIONING ALL RISKS

This provides cover for risks associated with the erection and installation of plant, machinery, structures etc, and can cover the main contractor, subcontractors, and sometimes suppliers. The cover includes physical damage and can also include testing and commissioning extensions. Delayed Start Up insurance is often bought as an extension to this cover.



## EXHIBITIONS

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This generally covers property while it is used at an exhibition and this aspect may be arranged as an extension to a Property or Marine policy. Exhibition insurance can also extend to cover costs associated with cancellation, non-attendance or other disruption for an exhibitor. We can arrange cover for one off events or as an annual contract.



## MARINE & DOMESTIC GOODS IN TRANSIT

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Covers the loss, damage or theft of cargo between the points of origin and destination. It covers goods against loss or damage while in your vehicle or when sent by a third-party carrier. The sum insured may be a limit for each package, each vehicle or any one consignment.

The majority of businesses will move their product at some point whether this be as raw materials, component parts or as finished goods.

Responsibility for insurance varies significantly depending on whether the movement is cross border or within the UK and will depend on the Incoterms or Conditions of Carriage adopted or imposed.

We have many years of experience in this specialist area and can provide a tailored solution to meet your particular needs and exposure.

Our experience has shown that the cover provided by shipping agents and/or hauliers can be expensive if purchased on a shipment by shipment basis and worse still will invariably only offer limited protection in the event of loss based on weight.

## ■ STOCK THROUGHOUT/MARINE TRANSIT

A Stock Throughput policy insures goods from their place of origin to their final destination. Rather than purchase separate covers, this type of policy can cover the goods whilst in transit or whilst in storage, including loading/unloading. Such policies offer very wide cover and avoids the gaps where cover is placed under separate policies



## MARINE HULL & PLEASURE CRAFT

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We have access to specialist markets for marine hull, pleasure craft and super-yachts. A number of our clients have a requirement to insure their craft, whether used for commercial or private purposes. Marine Hull covers loss or damage to vessels themselves and generally also covers machinery, equipment on board and third party liability insurance.



## MOTOR FLEET

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Fleet insurance is available for all types of businesses and vehicles including cars, vans, and larger commercial vehicles.

Most businesses operate vehicles as an integral part of their activities with some being unaware that it is possible to obtain a Commercial Motor Fleet policy for as few as three vehicles.

The benefits of a Fleet over individual policies generally include: -

- Open driving, i.e. without having to name all possible drivers
- Business use for all vehicles
- Occasional business use of employees vehicles
- Movement of obstructing vehicles
- Road risks for special type plant whether owned, hired or loaned
- Adjustment by periodic declaration, usually quarterly rather than individual endorsement
- Fixed annual rates per vehicle

### ■ SPECIAL TYPES ROAD RISK

As mentioned above, Fleet policies can be extended to include Road Risks cover for special type vehicles, i.e. dumpers, road rollers, JCB's, etc.

The requirement for this can easily be overlooked when hiring in, hiring out or using such mobile mechanical plant.

This can be included to conform with the requirements of the Road Traffic Act upon request.

### ■ LOSS OF USE

For companies operating a fleet, this provides reimbursement when a vehicle cannot be used following an insured peril. It is worth paying attention to how any loss will be calculated: considerations can include the size of the fleet and the value of the vehicle that is unavailable.

### ■ MOTOR UNINSURED LOSS RECOVERY

Provides the policyholder with legal expenses cover to pursue a responsible third party for uninsured losses, e.g. personal injury, policy excess and , hire car costs.



# LIABILITIES & PRODUCT PROTECTION

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## EMPLOYER'S LIABILITY

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It is a legal requirement to purchase Employers' Liability (EL) insurance as soon as you become an employer - your policy must cover you for at least £5 million although this is normally set at £10M. Higher limits are available where you have a large concentration of employees. Cover must be arranged with an authorised insurer.

EL insurance will help you pay compensation if an employee is injured or becomes ill because of the work they do for you.



## PUBLIC LIABILITY

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Cover operates in respect of claims made against your business by a client or a member of the public, should your service, product or property have resulted in third party property damage or bodily injury. Public liability cover protects against compensation payouts and legal costs.

Incidents which could lead to a Public Liability claim against your business include anything from clients slipping on a wet floor in your office premises, to a member of the public injuring themselves on a piece of your work equipment. Cover is not usually restricted to your premises only and damage caused at third party locations will be included, you will be covered for costs and the compensation owed to them, up to the limit of your policy.



## PRODUCTS LIABILITY

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If physical loss, damage or injury is caused to third parties by products sold, repaired, installed or supplied by you cover is available to cover costs and awards subject to the limit of indemnity applicable. Products cover is normally arranged as an extension to a general Public Liability policy.

### ■ AVIATION PRODUCT LIABILITY

If any products are supplied into the Aviation industry they will likely be excluded from your standard Products Liability policy and will require separate cover.

### ■ PART PRODUCTS

Sometimes a product you supply or an element of contract work completed may cause damage to a property months or years later. This is a problem where any maintenance or defects liability period in your Contractors all Risks policy has expired. Part Product extensions provide cover for any damage to the building or its decoration, even where these are considered part of the insured product you have provided and would therefore be excluded under your Products and Public Liability policy.

### ■ PRODUCTS EFFICACY

Efficacy cover or the failure of your product to perform its intended function is often excluded under a Products Liability policy.

This means that any losses arising to third parties as a result of your product not functioning correctly will not be indemnified, potentially leaving yourselves with significant exposure.

For instance if you are an installer of alarms and the system fails to operate in the event of an intruder activation you may be held liable for the consequent losses. With an efficacy exclusion this would not be covered as your product will have failed to perform as intended. As such you would need to ensure that such an exclusion did not exist.

Clearly the inclusion of such an exclusion does not only apply to alarm installers and is something to consider and be aware of.





## FINANCIAL LOSS

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Public and Products Liability cover protects you against your liability towards third parties (both injury and damage) arising out of the course of your business. This would further extend to include any financial losses arising out of your negligence but only when there is physical injury or damage arising in the first place.

This does however leave an area where you could be liable for financial losses of a third party arising out of your negligence but where no actual damage occurs (i.e. the third party suffer down time as a result your negligence).

This gap can be filled by purchasing a Financial Loss extension to your Public/Products Liability section and is certainly an extension worthy of consideration.



## EXCESS LIABILITY COVER

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Excess Liability cover provides coverage above the maximum limit of the primary policy. Excess cover can be a cost-effective way of accessing significantly larger limits of coverage, if you believe that there is potential for an Employee injury, or a Public Liability claim, or a Third Party Motor claim to extend beyond the limit offered in the primary policy.

There are a number of reasons why you might consider buying excess insurance on Liability policies, including:

- Increasingly litigious society leading to increased cost of large claims
- Recent changes in the Ogden rate (where insurers previously discounted the overall cost for a claim if they paid it early), meaning insurers have had their reserves hit and are in many cases less inclined to offer high primary limits
- Increasing large loss potential from changes in operations.



## DRONE OR UNMANNED AIRCRAFT LIABILITY

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Use or operation of drones is increasingly common, however it is standardly excluded from Public or Product Liability policies. Therefore you should consider purchasing a bespoke policy to provide protection in case of any damage or injury caused to third parties and their property.



## PRODUCT EXTORTION

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A company becomes a victim of product extortion when a threat is made to damage, destroy or contaminate its products unless a payment is made. As well as the ransom payment, cover can include paying for expert advice, loss of the ransom in transit, and actions taken to protect the reputation of the company.



## PRODUCT RECALL

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This covers the costs incurred in recalling products where their continued use or consumption may cause the insured to incur a legal action.

It is possible to arrange cover for the following: -

- The expense of recalling or withdrawing products, i.e. costs of correspondence, advertising, transportation, etc.
- Costs of examination and replacement or reworking of recalled products.
- Costs of destroying recalled products
- Costs of 'malicious' product tampering



## PRODUCT GUARANTEE

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Product Guarantee insurance can go beyond recall only and provide further cover for repair, or replacement of product which fails to perform its intended function.

### ■ WHAT TYPES OF COVER CAN PRODUCT RECALL OR GUARANTEE POLICIES PROVIDE?

- Transportation and storage costs in respect of the products
- The cost of the destruction or disposal of the products
- Additional increased working costs such as staffing associated with the recall
- Costs incurred by third parties such as wholesalers and retailers
- Loss of profits associated with the recall event
- Notification costs promoting awareness of product issues

### ■ WHY MIGHT YOU NEED A PRODUCT RECALL OR GUARANTEE POLICY?

Any company which manufactures or supplies products may benefit from product recall cover. This can include anyone from food and drink companies, specialist manufacturers, wholesalers or retailers.

### ■ WHAT TYPE OF CLAIMS WOULD BE COVERED BY A PRODUCT RECALL POLICY?

- A fault during manufacturing means an engineering product supplied worldwide is unsafe and must be recalled incurring significant transportation costs.
- The packaging of a food product means it is not safe for consumption. This leads to not only significant transport and disposable costs but an urgent customer notification process.

### ■ MALICIOUS TAMPER & EXTORTION

This is an extension to a Product Recall policy, ensuring that if a product is deliberately targeted for interference, the cover responds. The extortion element covers demands made as part of a threat to tamper with the product.



## PROFESSIONAL INDEMNITY

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If your advice or service fails to meet the expectations of a client, you or your business may be faced with a claim of negligence. You could be held liable for any loss or damage caused. For example, a solicitor acting on behalf of a property purchaser, failed to report that the property had limited access. The purchaser held the solicitor liable for the omission of this detail and made a successful claim. A standard policy covers liability for injury, damage or financial loss arising from a breach of professional duty carried out in good faith or negligent acts, such as errors or omissions in their professional capacity. Professional indemnity insurance is mandatory for members of some professional bodies and is required by some regulators. This includes solicitors, surveyors, financial advisers, accountants, architects and some healthcare professionals.



## MEDICAL MALPRACTICE

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This can be purchased as a separate policy or as an extension to your liability policy. It covers acts or omissions such as misdiagnosis or harm caused to patients committed by healthcare providers, e.g. an on-site nurse or doctor.



## PENSION TRUSTEE LIABILITY

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This covers defence costs, awards, damages, and investigation costs of anyone like trustees, secretaries or administrators involved in running the pension scheme who are accused of mistakes or oversights in their duties. This coverage is often needed despite any internal indemnities held, as the extent of these can be limited by design or by law.



## LIBEL, SLANDER & INFRINGEMENT OF RIGHTS

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This provides cover when you are sued for something you say or write. The insurance can cover the costs of defence, and can extend to cover the costs of a legal settlement against the policyholder.



## CHARITY & TRUSTEE INDEMNITY

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This protects the individual trustee and the Charity as a whole from liability arising from a wrongful act by a trustee. Given increasing amounts of regulation around the operation of charities, this exposure is increasingly concerning for even small charities, and without an insurance policy in place, the assets of the individual trustee can be at risk.



## REPUTATIONAL DAMAGE/CRISIS CONTAINMENT

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This can cover lost profits / revenue following an adverse reputational or media event, and/or costs associated with trying to counter / contain such an event. Such reputational events could include adverse media coverage, employee negligence, celebrity endorser disgrace, supplier disgrace, perceived or actual product quality issues, etc.



## INTELLECTUAL PROPERTY

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This covers copyright, trademark or patent infringement claims arising out of your company's operation. It can cover defence costs and any judgement, and also provide funds for pursuing claims against infringers. Generally in order to take out insurance you will need to show that you are not aware of any existing infringement.



## TRADE CREDIT

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This form of contract may be looked upon as just another policy purchased to protect against an unforeseen loss that could significantly affect a business's profitability, balance sheet, strength or, potentially, the actual ability of the business to continue trading. While a credit insurance policy provides such protection, today's sophisticated contracts offer far more than insurance alone.

A Credit Insurance policy consists of several integral parts that support a company's credit management function in addition to the pure protection element. The collation of information gained by underwriters from a potential customer's audited accounts combined with management figures and feedback from other insured companies, enables the Credit Insurer to provide an up to date snapshot as to a potential, or existing customer's financial well being.

A Credit Insurance policy, used correctly, can be a very powerful tool in a company's marketing strategy by enabling the business to build a strong and profitable client base. In addition, the added security provided by a policy is looked upon very favourably by major suppliers and the financial services sector alike. Indeed, the very existence of a Credit Insurance policy can considerably assist with the raising of funds or increased supplies which can only help the ongoing development of the business.

The key benefits of Credit Insurance can be summarised as follows: -

- Complements and enhances good credit management procedures.
- Collection of debts, especially in the case of slow payers and problem accounts, significantly enhanced.
- The likelihood of being hit by a potentially damaging bad debt reduced due to the underwriters in depth market intelligence.
- The need for a sizeable bad debt reserve considerably reduced, with the resulting benefit of enhanced cash flow.
- More effective targeting of your sales effort so that marketing initiatives ensure a quality customer base.
- Minimises the friction between finance and sales departments.
- Balance sheet and profits protected, thus maintaining your competitive edge.
- Fast replacement of working capital in the event of a loss.
- The security afforded by a credit insurance policy can be utilised to obtain enhanced levels of finance and improved terms.



## CREDIT/SUPPLIER DEFAULT

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Also known as Advanced Payment Protection, this insurance covers payments made to suppliers in advance of receiving goods or services, against the default of the supplier. The cover can be set up for individual named suppliers, or to cover a range of suppliers.



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