

# The Insurance Act 2015 – Are you ready to act?



You may already be aware of the Insurance Act 2015, which comes into effect this August, bringing with it the biggest change in insurance contract law for more than 100 years. But do you understand what it means for you?

## What is the Insurance Act 2015?

- A new legal framework affecting every insurance policy placed, renewed or amended after 12th August 2016.
- It is designed to bring insurance law up to date and aims to make recovery easier and fairer in the event of a claim.
- These benefits are dependent on you making a “fair presentation of your risk”

### What are the key changes for you?

- The obligation to carry out a reasonable search for risk information.
- The requirement for clear & accessible presentation of this information.

## Reasonable search

This is a new obligation and will vary according to what is reasonable in the context of your organisation, but essentially requires you to carry out a reasonable search for information you ought to know. This requires you to involve your senior management team in the process and you may need to make enquiries of third parties such as external consultants or contractors.

For example if you are a small manufacturing business you may need to liaise with your Production Manager or Financial Director to give a full representation of your production processes.

## Clear & accessible presentation of risk information.

This ensures that information is provided to insurers in a clear and accessible manner, data-dumping of large amounts of information without indexing or signposting is unacceptable. Insurers may ask more questions of you than before and there is an additional requirement to adequately highlight unusual activities or known areas of concern.

While generally a positive step forward for you, if you don't comply with your new duties, insurers will have a new range of “proportionate remedies”, which could include reducing your claim payments significantly.

## What can you do to prepare for the Act?

- **Start the renewal process earlier;** engage with us to start the process earlier than usual, this will allow extra time for data-gathering and will enable us to talk to insurers about what information you are going to search for.
- **Identify who forms your “Senior Management team”;** as you will have a duty to disclose relevant information known by your senior management, start to consider who falls within that definition in your company.
- **Review your data gathering process;** we can help you review how you intend to gather data and how we present it to insurers, as well as how to record the searches you have made.

Consider third party information; as you have a duty to disclose information you ought to know, consider whether you will need to talk to contractors or consultants to gather data.

*If you are an existing client, don't worry we will guide you through any changes required around renewal. If you are yet to become a client, speak to us now so we can understand your current arrangements.*

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# Prepare your business for a growing threat



According to government statistics in 2014-2015 \*142 workers were killed at work in the UK. This is a shocking statistic and acts as a stark reminder of the responsibility that you carry as a business owner. Perhaps even more shocking are the number of work related deaths that are reported due to injuries or illnesses caused by poor working practices, in 2014-2015 this was reported to be around 13,000.\*\*

Not only do these startling facts have tragic consequences for the victims and their families, but also for the company directors responsible, they can face prosecution and even jail sentences.

Not so shocking, but worrying nevertheless are the numbers of working days lost to work related illness and workplace injury; in 2014-2015 27.3 million days were lost in the UK.\*\*\* The costs and impact of this are hard to measure for an individual business.

Another worrying trend for business owners is an increase in the number of claims relating to noise, vibration and dust. In an increasingly litigious society and with trends set by PPI claims, individuals are seemingly more likely to claim compensation.

## What can you do to combat this?

It is essential to ensure that you have a thorough and robust health and safety policy in place, which accurately reflects your business practices. Good risk management advice can pay for itself many times over in the protection it can offer against future claims and potential loss of reputation for your company.

Additionally you will have the peace of mind of knowing that you are doing all you can to look after your workforce and keep them safe.

Talk to us about your health and safety concerns and we can work with you to help you find the right solution for your business, it might not be as expensive as you think and could save you money, time and stress in the long run.



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\* [www.hse.gov.uk/statistics/](http://www.hse.gov.uk/statistics/) \*\* [www.hse.gov.uk/statistics/overall/hssh1415.pdf](http://www.hse.gov.uk/statistics/overall/hssh1415.pdf) \*\*\* [www.hse.gov.uk/statistics/](http://www.hse.gov.uk/statistics/)

# What does your brand say about you?

There aren't many large, profitable companies that don't have an attractive and recognisable brand image. So how do you ensure clients and prospects recognise and respect your company? Here are some hints and tips to help you create and maintain your image.

- **Review and renew** - When was the last time you updated your company logo, colour scheme or the fonts you use? As a minimum, we recommend you do this every four years.
- **Keep it consistent** - It's vital that your brand looks the same in all environments including brochures, letterheads, signage, advertisements and online.

- **Monitor competitors** - Do you look as good as them?
- **Manage your messages** - All messages should be on brand, implement a strong social media policy to ensure you manage this online as well as off.
- **Employ the experts** - Whether you are designing a new logo, creating a website or releasing a news story to the local press, take advice and use the services of marketing experts.

*As an insurance broker we specialise in protecting your business when things go wrong. We are also here to be a trusted advisor in all areas of your business and will use this publication to provide hints and tips from time to time.*

# What happens when criminals crack your code?

Telecoms giant Talk Talk estimate that a cyber-attack it suffered last November has cost the company £42 million in clear up costs\*, that is a huge sum even for a company of its size and will have a lasting effect on its financial position. Cyber-crime is not just a big company problem.

With 74% of small businesses in the UK having experienced a security breach in 2014-2015\*\* and cyber-crime on the increase, cyber security is a key consideration for businesses of all sizes.



## Why do businesses need cyber insurance?

A 2014 government survey estimated that the average cost of a cyber-security breach for SME's is between £65k-£115k\*\*\*, add to this the reputational damage and some companies find it hard to recover from such an incident.

## What can a cyber insurance policy cover?

The world of technology changes daily and it can be hard for the layman to understand what exactly is covered and what's not. The three main areas of cyber insurance are;

- **Cyber Crime Cover** – this can cover phishing, email cloaking, fraud carried out over the internet.
- **Data Breach** – in the event of lost or stolen data, this can cover initial forensic costs, reinstatement of data, the cost of customer notification, PR needed to minimise reputational damage.
- **Business Interruption** – policies can extend to include Business Interruption cover in respect of trading time lost due to the incident.

## How best can I protect my business?

The important thing is to engage with us, we can carry out a full review of your needs and talk to you about exactly what cover is provided in your policy.

## What types of claims arise under a cyber policy?

Here are some examples;

Client	Cause Of Loss	Cost
Petrol Station	550 Cards "skimmed"	£13,750
Letting Agent	2,600 rental applications stolen from the office	£65,000
Haulage	Computer system hacked by former employee. System needed reconfiguring & Business Interruption costs	£24,197

\* [www.theneeds.com/news/n12531109/the-talktalk-hack-cost-it-42-million-businessinsider](http://www.theneeds.com/news/n12531109/the-talktalk-hack-cost-it-42-million-businessinsider)

\*\* Information security breaches survey 2015, Department for Business, Innovation & Skills, June 2015

\*\*\* [www.abi.org.uk/Insurance-and-savings/Products/Business-insurance/Cyber-risk-insurance](http://www.abi.org.uk/Insurance-and-savings/Products/Business-insurance/Cyber-risk-insurance)

\*\*\*\* Claims examples HSB <https://mail.google.com/mail/u/0/?tab=wm#inbox/1548521e2d8136e8?projector=1>



## News In Brief

### Insurance Premium Tax

A reminder that Insurance Premium Tax rose by 3.5% last November to 9.5% so if you are yet to renew your insurances, you will notice the new rate on your invoice. Whilst this pushes up the overall cost of your insurance, the advice remains to avoid the temptation to counteract this by reducing protection. Making sure that the correct cover is in place remains as vital as ever.

### Pension Auto Enrolment

Don't forget that there have been a number of new employer duties recently introduced by the government relating to staff pensions. If you have a workforce make sure that you are aware of your staging date for automatic enrolment and your responsibilities in the process.

Advice can be found at the following website:  
[www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk).



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# Travel Insurance – Your ticket to relax

It's that time of year again, when we are all dusting down our flip flops and heading off to the sunshine. With so much to think about when organising a holiday it can be easy to overlook travel insurance or just buy the basic cover offered to you. But this can be a false economy, some policies have quite limited scope and may not include covers you would have expected.

## So what should you do?

- Speak to us well ahead of your trip so that we have plenty of time to get the most appropriate cover in place, we will be happy to give you a Travel Insurance quote before you book your trip so that you are fully aware of your costs at the outset.
- Make sure that you declare any pre-existing medical conditions – otherwise you might find these are not covered once you are abroad.
- Once you have selected your policy, familiarise yourself with the details so that you know what you are covered for and your exclusions and excesses.
- Take your policy details, emergency telephone numbers and our contact details on holiday with you in case of an emergency.
- [Have a great holiday!](#)

**&Co**  
**rees**  
INSURANCE BROKERS

Rees and Co Insurance Brokers Limited  
Suite 2, First Floor, Thorpe House  
25 King Street, Hereford  
HR4 9BX

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