



Top ten tips for ensuring your business is protected.

Whether you are a small or large business there are common risks associated with running any modern organisation. And as a business owner or manager you will know that taking a risk can lead to great success but also that managing risk will help protect you, your hard work and your company. We've compiled a list of the top ten types of risks that you should consider, how they can affect your business and what you can do to reduce your company's exposure to those risks.

1. Keeping to the law.

If you have employees, even volunteers, part time or on a short term contract, you're required to have employer's liability insurance. The cover protects you should an employee become ill or injured because of a negligent act during the course of their work. From the moment you begin the hiring process and for a number of years post employment, you are at risk of legal action. In fact, three out of five employers will be sued by a prospective, current or former employee while they are in business*.



Although many legal actions are groundless, defending against them is still costly and time-consuming. We advise that your business

should take a hard look at whether it can afford to defend itself against accusations of wrongful employment practices. If not, there is an insurance solution called employment practices liability that will protect your company against wrongful termination, discrimination (age, sex, race, disability, etc.) or sexual harassment legal actions.

2. What's it all worth?

No matter the size of your organisation, your building and its contents (right down to the boring stuff like the bins) are one of your major assets so you need to make sure you are properly protected in the event of theft, fire, flood or an event which damages your property. It's hugely important that the sum insured on your contents list is adequate. And don't forget that if your business has changed or expanded in the period since you last renewed your insurance then an independent review is a wise idea.

3. Business as usual.

Unforeseeable risk events, manmade or natural, can have a crippling affect on a business. As tempting as it might be to think "that'll never happen to us" putting plans in place, should the worst happen, can help make sure you're back to business sooner rather than later.

Having appropriate business interruption insurance and a business continuity plan can help fund the recovery of your business. This invaluable, though often overlooked, cover safeguards your business by covering ongoing expenses and lost gross profit while the permanent business location is being repaired. Business interruption insurance will allow you to maintain fixed ongoing costs such as payroll and, if needed, reallocate current employees to help with the clean-up effort.



4. Those TV compensation ads.

We've all seen them – a lady slips over on a spill and falls in an office reception area, call an injury lawyer etc. However, they raise a valid point, there are risks associated with clients or members of the public visiting your premises or using your products. Likewise there are situations where you may be working offsite, such as at an event or tradeshow, where you are responsible for accidental damage or injury.

Public/products liability policies provide cover for claims of bodily injury or other physical injury, personal injury and property damage as a result of your products, premises or operations.

A public/products liability policy with adequate cover limits enables you to continue normal operations while dealing with real or fraudulent claims of negligence or wrongdoing, and also provides cover for the cost of defending and settling claims.

5. Security! Security! Security!

It's not all about locking the windows and doors these days. Keeping your client, financial and company data secure is vital. It is important to have policies and procedures in place to protect yourself, including training your employees to protect information.



Develop a culture of privacy awareness in your company and keep employees mindful of their risks to identity theft, data security and how data

protection can impact their job and the company. With an estimated liability of more than £100 per compromised record* (multiplied by hundreds or thousands of customer records), the cost of a single data breach incident can be expensive for any business. In addition to making sure you have effective internet security software cyber liability insurance can help protect your business against damage from cyber-attacks, data breaches and other internet-based exposures.

So in short – develop the right culture, make sure you have your technology gateways securely protected and protect yourself with the right insurance.

6. Your advice, your fault.

Until recently professional advice was limited to services such as architects, accountants, surveyors, solicitors and engineers. Modern reliance for outside consultants has increased the scope of this term and a professional is now often regarded as any person who offers specialist advice or services. If part of your service is to provide professional advice or consult on another company's activities you are responsible for the outcome of that advice.

Mistakes will happen, and that's all part of business. But when they do, the consequences can cost. Professional indemnity insurance helps protect your business against those consequences. It's particularly important for businesses that offer advice, design, or consultancy services. If that sounds like your business, make sure you've spoken to your insurance adviser and have the right level of cover.

7. For those special occasions.

The recent, increased trend for staff away days and team building exercises has raised a question as to whether those "higher risk" events such as paintballing, go-karting, trekking are covered by employers' liability insurance. There are times when employers' liability insurance won't cover your staff so it's important to consult with your insurance adviser to make sure your staff are covered.

When staff travel abroad or even within the UK you need ensure you have the right insurance cover.



8. Bad debt, it happens.

Bad debt can seriously erode the liquidity and profitability of your business. Credit insurance can be a financial lifesaver.

If you have a customer that is unable to pay the debt credit insurance will provide your company protection against that debt.

Not surprisingly, it is much harder, and much more expensive, to get credit insurance when the risks increase, such as after debts have started to build up. Both the credit crunch and the recession massively increased the risk of customers defaulting on monies owed, so credit insurance has become far more important to today's business.

9. Why take the risk?

Risk management is simply about being prepared. It is far better to identify the problem before it finds you. Time and energy spent on implementing a risk management program now can help protect your business in the future. Risk management has become a fundamental requirement of good management in every aspect of all business and is practiced at all levels. Effective risk management can help to reduce exposure to preventable losses and can result in lower insurance premiums. Risk management advisers, working alongside a good insurance broker, can provide services such as property control risk surveys, business continuity planning and health & safety audits. Risk management - it's just smart business.

10. Taking it personally.

Running a business is becoming increasingly complex, compounded by extra regulation, advances in employment legislation, new laws and a growing compensation and blame culture. If a senior person makes a decision that results in a loss either for their business or a third party, i.e. a client, then that person can be held personally and legally liable.

Directors and officers (D&O) cover is essential for any organisation as it provides cover for directors and senior managers. It will also protect these individuals should a claim be made against them

for alleged wrongful acts, such as a breach of trust, neglect, error, breach of duty and misleading statements.



And one more thing...keep it clean.

Think of a business with significant environmental exposures. What comes to mind? Most people think of a large manufacturing, mining or petroleum operation, but these are not the only industries at risk for environmental liability losses. Many businesses have to dispose of waste that has the potential to be environmentally damaging, such as dry cleaners, hairdressers, restaurants and garages. It is important to perform a comprehensive risk analysis to determine your own level of exposure. Keep in mind that because most commercial insurance policies contain pollution exclusions, unless you carry environmental insurance, you may be uninsured against significant environmental loss exposures.

If you want to talk about any of the issues raised in this document please visit our website to find your nearest office or email commercial@bluefingroup.co.uk
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