

Acumen

Issue 1 2008

Welcome



Welcome to Acumen, the first edition of Wilsons re-branded newsletter.

It has been a busy first quarter for Wilsons. We were title sponsors of the Nottingham Restaurant Awards, where the team at Harts took the coveted Restaurant of the Year award and we're pleased to announce that we will be continuing our sponsorship of the Awards in 2009.

Our Private Client team will be boosted in September with the arrival of Bryan Elliott from Norwich Union. Bryan comes to us with a wealth of experience and will be specialising in high value home and contents insurance for private clients. Bryan can ensure you have the right level of cover for all your property and possessions, including fine art, antiques, jewellery and collectable items. If you would like to contact Bryan to discuss your requirements or to make an appointment for him to visit you at home, please call us on 0115 942 0111.

Like many people-based businesses, we see huge rewards from growing our own talent. Our two operations managers spend large amounts of their time on staff development and training. We aim to nurture the right skills, knowledge and expertise early on in people's careers

and to encourage the ongoing individual development that is fundamental to our business growth.

Also core to our culture is a commitment to a healthy work/life balance. Our people take part in a diverse range of amateur and competitive interests, from triathlons and marathon running to ice dancing and fire-walking. At the time of writing, Wilsons currently tops Sports Nottinghamshire's "Shape up Notts" workplace leaderboard!

The effects of the credit crunch are working their way into the general insurance market. The current soft phase of the cycle continues and it will be fuelled by the insurers desire to maintain their market share in the face of lower business projections and further demands for premium reductions by policyholders seeking to control their business costs.

Insurers in the long term seek to protect their shareholders interests and will be conscious that if their top line is not growing, but claims inflation keeps increasing, something will have to change. We can all expect the market to harden in the future but for the moment there continues to be sufficient underwriting capacity.

Whichever way the market moves, Wilsons will continue to obtain the most appropriate and cost-effective insurance solutions and to protect clients from the troughs of insurance company service standards as they adjust to changing circumstances.

I hope you enjoy this newsletter and look forward to your feedback.



Charlotte Prow
Joint Group Managing Director

In this issue...



New standard to help firms prove 'green credentials'



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Business Continuity

SMEs failing to protect business

Recent findings by underwriters have revealed that companies are routinely failing to protect their key assets – their staff. According to research, some 60% of small and medium sized enterprises in the UK do not have the right form of business protection in place for their “key” staff if they fall sick or die.

The SME companies surveyed rely on a handful of senior directors or managers to lead the business, which means that if these people are unable to work the business could be severely affected.

The loss of a key person alone can cost a company £150,000 to £1m in lost business. Worryingly, 41% of companies do not insure their business against loss of staff, with one in five saying they cannot afford the extra cost. Surprisingly as typical insurance cover for key workers is £142,000, which is much less than their value and contribution to a business when taking into account that a small business will require an estimated immediate cash injection of nearly £40,000 to cover the loss of a key person.

The risk of not insuring key people within small and medium sized businesses is much greater than larger businesses as the impact

is not so easy to absorb when there is fewer staff. Small business should be including key person protection as a standard business cost and not fail to incorporate it into their annual insurance and risk mitigation budget for the year.

To give you an idea of the statistics, approximately 80% of insured key workers are men, with an average age of 44, whilst insured women are on average aged 42. On average, key workers are covered for around £37,000 for income protection, £280,000 for life assurance and £182,000 for critical illness.

The director of protection at a leading underwriters quoted “many business aren’t planning company operations if a key member of staff suddenly became sick or died, even though the impact on businesses can be huge. Having the right protection insurance in place can help businesses carry on operating and recover quickly should the worst happen”.

Anna Sinelnikova Financial Adviser
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New standard to help firms prove ‘green credentials’

The Carbon Trust launched their certificate scheme at the beginning July to help businesses show they are taking steps to cut their carbon emissions.

Under the new scheme, businesses are required to measure, manage and reduce emissions and not just “offset” them by paying others to cut greenhouse gases. Carbon offsetting was recently dealt a blow by a survey conducted by the trust that discovered that only one in ten people believed that offsetting was a credible way of reducing emissions.

The new scheme requires organisations to show they have measured and reduced emissions year-on-year, and also encourages businesses to take action on climate change. Companies will have to either demonstrate total overall reductions or a 2.5% improvement in carbon efficiency for businesses in which productivity - and therefore emissions - might be growing. There is no minimum amount by which emissions have to fall, but reductions must have been made each year, in most cases for three years, and must continue if they are to be re-accredited when the certificate runs out after two years.

The twelve organisations that have piloted the scheme, including B&Q, Morrisons, Thames Water, DEFRA and the Crown Prosecution Service, have achieved an 8.4% cut collectively in their total emissions over three years - around a quarter of a million tonnes of carbon.

More information on the scheme can be found on a dedicated website set up by the Carbon Trust - www.carbontruststandard.com



Approachable Commercial Committed

Did you know...

The Motor Insurers' Information Centre (MIIC) was established by the insurance industry to tackle the problem of uninsured drivers and as a result, the Motor Insurance Database (MID) was developed.

Every month, the police make over two million enquiries on the MID to check if vehicles have insurance and have the power to seize vehicles which they believe to be uninsured. Currently, uninsured drivers cost UK motorists over £500 million per year.

It is a legal requirement of insurance policies that fleet vehicles are added to the MID for the new policy period. By making sure vehicles are correctly added when they come on cover and removed when they go off cover, the police can concentrate on those drivers who are actually uninsured. The accuracy of the vehicle information provided is vital and if some details are wrong they need to be corrected as soon as possible to save fleet drivers the inconvenience and potential embarrassment of being stopped by the police and the costs associated with recovering vehicles that have been seized.

The information that is legally required to be provided for each vehicle is as follows:

- Policy number
- Vehicle registration mark
- The date on which the vehicle was first insured on the policy
- The date on which the vehicle ceased to be covered on the policy

Policyholders are encouraged to provide wherever possible optional vehicle data such as vehicle type, make and model. Failure to do so will cause problems if a fleet vehicle is involved in an accident and does not appear on the MID – there may be delays in settling the claim whilst this is investigated.

If the insurer is changed at renewal time, details of all fleet vehicles must be provided again. Failure to carry out these actions means that the vehicle details will not appear on the MID after the renewal date of the policy and your vehicles may suddenly appear to be uninsured and be notified to the police.

Unless the fleet vehicles are not designed for road use, all vehicles insured on the fleet policy should be added to the MID. Vehicles to be notified include long term hire vehicles, owned and leased vehicles and even temporary vehicles where the intended period of use is 14 days or more, such as courtesy vehicles.

If any fleet vehicles are disposed of or vehicles are returned to the hire company, the MID must be updated. If this is not done, you may be contacted about insurance claims that have nothing to do with you.

Mike Reed
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Renowned for being expensive, is private medical insurance cost-effective and beneficial?

Interestingly, in a recent AXA/PPP Healthcare Survey, over 60 per cent of new members cited the incident of MRSA and C-Difficile within the NHS as one of the key reasons for taking out private medical insurance.

The cleanliness of NHS hospitals is certainly a major cause for concern with great difficulty being experienced in reducing these so-called 'superbugs', but inside private hospitals, infection is almost non-existent.

So is private medical insurance expensive? It definitely isn't cheap, but in many cases it is possible to provide full cover for less than the cost of insuring a car, so you have to ask yourself which is worth the most – your health or your motor?

The retention of staff and private medical insurance is often used as an employee benefit in many companies. However, it is also valuable to the employer as the insurance guarantees that in the event of needing treatment, members of staff are dealt with promptly, and are therefore back to work far more quickly.



Also, it must be appreciated that many of the new drugs now available, particularly some that treat cancer, can cost up to £60,000 per annum for treatment.

There are a number of traditional insurance companies providing private medical insurance, but there are also plenty of niche businesses where cost is considerably less expensive if you do your research.

A further alternative to an insurance scheme is a medical cash plan, which provides cover for dental, optical, specialist consultations, health screening and alternative therapies, often covering pre-existing conditions, and at a remarkably low cost. And by linking these together, you'll find that cost can be even more effective.

If you have a large excess on the Private Medical Insurance Policy, this can significantly reduce the premium, which will often cover the cost of a Medical Cash Plan, which in turn will cover the excess payments.

As policies for Private Medical Insurance are renewed annually, they tend to increase with the age of members and medical inflation. Therefore, it is always advisable to review the range of available alternatives by seeking help and advice from an experienced healthcare consultant.

Trevor G Hopkins
Healthcare Consultant

Confident Professional Tenacious Trusted

Business Continuity

"Sorry, you cannot enter the building – there is a gas leak and danger of explosion."

Have you ever run through this scenario? How much revenue would your business lose if denial of access prevented you from working? What would happen if the premises burnt down destroying all assets?

Other major threats to business can be:

- Loss of people/skills
- Avian flu
- Negative publicity
- Environmental
- Health & safety breaches
- Pressure groups
- Flooding and Technology failure



Despite the potentially disastrous effects on business, a study recently published by the Chartered Management Institute revealed that fewer than half of UK organisation (48%) have a business continuity plan in place.

80% of businesses without a tested recovery plan are forced to close within 12 months of flood and fire.

43% of companies that experience a disaster never fully recover.

Over 70% of businesses involved in a fire either do not reopen, or subsequently fail within 3 years of a fire. Last year in the UK total fire claims for commercial premises reached almost 2 million a day. There are actually 128 fires in workplaces every day.

Interestingly, 61% of managers said they out-sourced facilities or services, but only 22% demanded a business continuity plan from critical suppliers. Almost half (48%) said they were satisfied with a statement from the supplier.

Wilson's recognise the importance of keeping your business operating under unpredictable conditions. We recently ran a full day business continuity workshop where delegates went away with an appreciation of the key principles of business continuity planning and the implementation and testing of business continuity arrangements. We will run further courses in the future, please contact us if you would like to attend.

If you are preparing a business continuity plan for your business and need guidance, we have a dedicated team at Wilson's who would be happy to assist.



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Did you know...

That from 1 July 2008 it became compulsory to have a reflective jacket on board a vehicle with four wheels or more whilst driving in France.

In an emergency the jacket must be easily accessible by the driver and must be put on before leaving the vehicle, day or night, regardless of visibility. As of 1 October 2008 any person found not complying will face a minimum of a 135 euro fine – around £90.

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