

insurance matters

Issue 3 - Winter 2009

INSURANCE INDUSTRY NEWS FROM ARTHUR MARSH & SON

10,000 Bicycles in Beijing...



Well, maybe not all 10,000 were at the 2008 Olympics but Team GB's cyclists certainly were! Cycling has been prominent in sports news for several years, none more so than in the Olympic year of 2008 with the British Cycling Federation (BCF) achieving a record haul of 8 gold medals, 4 silver medals and 2 bronze medals at the Beijing Olympics.

Capital and County Insurance Brokers Limited, a CCV business since 2008, act for the BCF and have done so for over 10 years. The Federation have their head office in the National Cycling Centre at Manchester Velodrome where the GB cycling team is based. The stadium provides all the modern facilities for training and coaching for preparation of major championships. We also provide affinity services for the 24,000 individual members of the Federation.

A key part of our role is to work closely with solicitors in the handling of claims and potential liability claims, many of which are self-insured within the Federations insurance programme.

The Team GB Cyclists are often mentioned by Chief Executive, Tim Johnson as a shining example of an organisation which has achieved excellence in their field through incremental improvement in targeted areas. We adopt the same approach in constantly reviewing and updating customer service.

We are very proud of our association with what has become one of the most successful Olympic sports. We look forward to seeing more gold medals in 2012.

Welcome

to the Winter issue of
Insurance Matters.

In this issue we will be looking at how we can help you to manage the risk within your business and tips on managing cash flow through this difficult time.

Managing the Risk

We have teamed up with MHL to provide Risk Management Services to our clients including:

- Health & Safety advice
- Employment issues
- Environmental legislation
- Assistance with ISO certification

As well as providing essential help and guidance so that our clients can meet their statutory obligations, this service will help you with new business acquisitions.

In the 2008 budget the chancellor made a commitment to award 30% of government contracts to the SME sector. At present the figure is 0.5%!! ISO certification is a 'must have' in such tenders so, this service will help you get one step ahead of the competition.

For a free consultancy please contact us.



CCV - A Powerful Ally

Businesses at Risk

The underlying issue with insurance is that most companies simply see it as an unwanted cost. To be frank, the fault often lies fairly firmly at the door of those commercial brokers who insist on commoditising the purchase, selling standard policies rather than creating programmes that actually meet the client's needs. If you equate the insurance-buying process to buying a tin of beans, then it's not surprising that all that interests the client is the price, rather than the underlying value.

The impact of this can be enormous. Firstly, with more legislation impacting the commercial sector than ever before, you need to understand how a failure to meet regulatory requirements can impact your bottom line. If your insurance programme fails to respond, it can, quite simply, drive your company out of business.

Don't be tempted to save money by underestimating insured values, in effect buying less insurance than you need. Whilst that will reduce your premium spend in the short term, in the event of a claim any pay-out could be down-graded accordingly. In the case of a serious loss, that could mean the difference between survival and closure.

Our advice would be simple. Find a broker that will take the time to understand your business or, better still, who has experience with other companies in your sector. Don't be tempted to under-declare values to save money. Instead, pay attention to good, sound risk management techniques. Ultimately, a sound risk approach will reduce the likelihood of a loss which, in turn, cuts your premium costs without putting your business at risk.



Cullum Capital Ventures (CCV)

As you may be aware we are part of Cullum Capital Ventures (CCV). CCV is one of the fastest growing insurance intermediaries in the UK currently employing over 700 people in more than 49 locations across the UK.

This coverage enables us to offer the substantial backing of a national company coupled with local service.

No.4	we are the fourth largest independently owned insurance intermediary in the UK
No.23	the only new entrant to the Top 25 UK Insurance Brokers, placing 23rd
£211 million	gross written premium controlled (run rate as of Nov 2008)
218%	growth in income in 2008
217%	growth in trading profit in 2008
34	acquisitions successfully integrated into the group
1	new business successfully launched
49	business units across the UK
700+	people employed around the UK

Keeping the cash flowing...

Large companies are exploiting small businesses by delaying invoice payments and imposing new terms and settlement fees on owners, according to the Federation of Small Businesses (FSB).

We have compiled some tips to help you to keep the cash flowing at a time when suppliers demand payments are made faster and customers seek to stretch out the payment process.

CONTRACTS & TERMS: always get a signed contract with your customers so there is no doubt.

CHECK THEIR CREDIT: Use an established Credit Referencing Agency before setting up major new Credit Accounts.

PURCHASE ORDERS: Larger companies often operate a purchase order system. Without a purchase order number your payment could get lost or delayed.

STATEMENTS: Set up a system of regular statements to customers to remind them what is owed.

PHONE CALL: Pursue the oldest and largest debts first and chase your money by telephone rather than letter – some say it's 80% more effective.

MONITOR YOUR RISK: Monitor any news that may affect the creditworthiness of key clients and put their names on a low cost monitoring service with a credit reference agency.

Above all, when every company is struggling for survival, don't expect any favours, particularly from your larger clients. It is time for small businesses to take positive action for themselves.

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