

## Guidance Notes

Please read the following notes carefully, they are important and will assist in the understanding of your insurance.

### 1. Disclosure of Material Facts

It is essential that every proposer or insured when seeking a new insurance or renewing an existing policy, reveals to the insurers any material facts or information (including any material circumstance or change in circumstance) which might influence the insurer in deciding whether or not to accept the risk, and what the terms should be, or what premium to charge. Failure to do so may render the policy void at the option of the insurer, with effect from inception and enable the insurers to repudiate liability. In practice you should notify any changes in material circumstances as soon as they arise. If you have any doubts as to what constitutes a material fact or circumstance please do not hesitate to seek our advice.

### 2. Warranties

The effect of a breach of warranty could make the policy void at the option of the insurer and thus it is vital these be complied with precisely. Where specific warranties apply their existence will be brought to your attention, but for the exact wordings reference should be made to the policy.

### 3. Terrorism

Effective from the 1<sup>st</sup> of January 2003, terrorism cover is now completely excluded from all insurance arrangements. If you are at all concerned at this lack of cover, please do not hesitate to let us know in order that we may obtain a quotation to buy back this cover, for your consideration.

### 4. Reinstatement as new

The current practice for insurance of building or plant and machinery is to insure them on a "reinstatement basis", i.e. new for old. Insurers undertake to settle the claim on the basis of the cost of repairing or replacing the lost or damaged property by similar property, equal to but not better or more extensive than when it was new, subject to the limitation of the sum insured. No deductions are made for depreciation, wear or tear.

However the actual work of reinstatement must be carried out. If you decide not to replace or repair the lost or damaged property the Contract reverts to one of indemnity and cash payment will be made with deductions for depreciation, wear and tear.

### 5. Under Insurance

Most Material Damage Policies contain the "Average" Condition whereby a contribution will be called for, where under-insurance exists and a claim has occurred,

For Example:-

Sum Insured	£100,000
Established value at time of loss	£150,000
Established Loss	£ 50,000
Settlement	

£100,000 (Sum Insured)	X £50,000 (Loss)	= £33,333 Paid By Insurer
£ 150,000 (Value)		

Therefore Policyholders under-insurance costs them £16,667

## 6. Health & Safety

As you are aware every place of work employing five or more persons must have a written Health & Safety policy. In addition Risk Assessments are required even for the smallest commercial concern.

Whilst it is possible to write your own Health & Safety Policy this may create difficulties in the event of any accidents at work which could, of course, involve substantial fines for Directors as well as action against the firm itself.

It is a proven fact that Health & Safety awareness is an important factor in insurer's attitude to the insurance risk and this does have an effect on premiums.

Please be aware these services are not regulated by the Financial Conduct Authority.

## 7. Business Continuity/Disaster Planning

If a major or minor loss or incident were to occur do you have any loss reducing plans in place? The incident may not necessarily be insurance related. Large suppliers or customers often demand that firms with whom they trade have such plans in force to ensure continuity for their own businesses. We are able to offer advice in this area should you require it. Please ask if you feel this would be of interest.

If you would like further information please contact our office. Please be aware this advice/service is not regulated by the Financial Services Authority.

## 8. Reporting Possible Claims

Following the implementation of the Woolf Report with effect from 1st April 1999 it is now vitally important that all incidents which may lead to a possible Motor, Employers' or Public Liability, Third Party Negligence, claim or injury claim be reported to us without any delay. As a subsequent result it is also necessary for you to keep Employers Liability Certificates (starting in 1999 for 40 years) and have these available for HSE inspectors to validate on request.

## 9. Financial Conduct Authority

You will already have had a Terms of Business letter and had it explained to you. Please read this document as it explains the terms under which we operate. It explains our status as an insurance intermediary, along with our charges, claims and complaints procedures. We would also like to draw your attention to your duty to disclose any information that may affect your insurance. Where we are acting as an agent of another broker or intermediary we will disclose this fact to you.

## 10. Minimum Security & Statutory Electrical Inspection.

Important Note : Insurers may have minimum levels of Security for premises, with which they will always expect you to comply, even if an alarm is an additional requirement. In basic terms this means that all locks on entry and exit doors to a premises must be Mortise Deadlocks of at least 5 levers, complying with the relevant British standard. All ground floor or accessible first floor opening windows must be fitted with key operated window locks or be barred or grilled in a secure form (screws or bolts not accessible from the outside). Any locks which have to be secured using padlocks must use the close shackle variety to prevent a lever being used to break the padlock. Again it must comply to the relevant British standard.

Additionally insurers will expect that the premises in which your business is situated complies with the regulations regarding the inspection of the fixed wiring (electrical) installation. In general terms a certificate must be issued by a competent and authorized NICEIC electrical contractor at regular intervals (see attached).

## **11. Claims-Procedures**

Please note that these procedures are intended for your guidance only and must not be construed as a statement of policy claims conditions.

### **Employers Liability**

Even when no claim has been made by an injured employee, you should notify us immediately of any accident which involves absence from work or hospital treatment.

If and when a claim is made on behalf of the injured party please send us all the relevant correspondence unanswered.

Please do not at any stage admit liability.

### **Public and Products Liability**

Even where no formal claim has been made by a third party you should notify us immediately of any accident involving injury to a third party or damage to a third party property.