

Insurers Toughen Up On Claims



According to a survey released in January this year insurers are becoming stricter on paying claims in the economic downturn.

In their research the British Insurance Brokers Association (BIBA) surveyed their insurance broker members and found that 89% believed that insurers are becoming stricter on paying claims. 64% of broker respondents believe they have had to fight harder on behalf of clients to get full settlement on claims during the economic crisis and 72% said they had overturned a claim rejection by an insurer.

Eric Gailbraith, BIBA Chief Executive said "The economic climate has led to stricter policy interpretation and anti-fraud systems by insurers meaning that customers are having claims reviewed in more detail. The research demonstrates the importance of having a broker to fight your corner and represent you at claim time."

In recent months we have worked with clients to ensure that they receive full reimbursements following their losses. In December 2012 one of our clients suffered a fire at their business premises due to arson. We worked with the client to ensure that they received payment for their loss of profit, and repayments for stock and contents damaged by fire. Following negotiation with insurers we also secured payment for clearance costs and debris removal of several thousand pounds, which were not immediately covered within the policy wording.

Overall in the past 12 months the time we have spent handling claims has increased, as we seek the best possible result for our customers. However as much as insurers could provide more flexibility and understanding following a claim we would ask you to take pre-emptive action before an incident occurs:



- 1 Check the information you have disclosed to insurers. Is it accurate? Has anything changed? Have you informed them of all material facts?
- 2 Read your policy wording and ensure you meet the terms and conditions? Is there any specialist security requirements? Is the policy restricted in certain conditions, such as unoccupancy or because of building works to a property e.t.c?
- 3 Phone your broker and discuss the cover. We are there to give you advice and provide assistance throughout the policy period not just at renewal or new business stage.

For the full BIBA survey please visit:

<http://www.biba.org.uk/UploadedFiles/752claimsresearch2013.pdf>

Whiplash Claims Update

In news released in March MPs are to investigate the extent to which claims for whiplash injuries are pushing up the cost of car insurance.

They will look at the impact fabricated and exaggerated claims have on premiums and what can be done about them. Ministers say action is needed to curb the 60% increase in road-related personal injury claims since 2006.

Whiplash is characterised by the NHS as a neck injury caused by a sudden movement of the head forwards, backwards or sideways.

Initially MPs had discussed with selected insurers and the Association of British Insurers (ABI) the reasons for the significant premium increases motor policyholders had experienced in recent years. However they will now be focusing on this specific element of the personal injury claims culture whereby 1,500 claims are made every day at an annual cost of £2bn and adding £90.00 per year to the average motor policy premium.

Initial proposals are that whiplash claims are only assessed by accredited medical experts and that claims are capped so that potentially excessive claims payouts are eradicated.

Sharrocks' View

The significant increase in personal injury claims made by motor insurance clients is worrying, however insurance providers and insurers alike must be honest and declare the potential earnings they themselves receive when a client of theirs experiences a "not at fault claim" which causes a personal injury. Did you realise that many insurance providers rely on income streams from claims which potentially increase the cost of your own insurance premium? At Sharrocks we have been committed not to generating any extra income from referral fees from our client's losses and have actively rejected cheques and payments which could have been made to us following a claim made by our clients.

Perhaps as long as payments are being made to those within the insurance industry when a whiplash claim is submitted it will be difficult for any real substantive change to occur to eradicate this personal injury claims culture.

As a broker that has sold motor insurance for almost 45 years we feel that customers are almost always being sold motor insurance based upon price only. Insurers are similarly chasing new clients and cutting costs to achieve sales. Within this scenario insurers and insurance providers themselves are seeking new ways to generate referral fees from personal injury solicitors, courtesy car providers or recommended repairers, and equally customers are seeking new ways to beat the claims system.

So we welcome the investigation of the Commons Transport Committee into whiplash claims but we also hope the insurance industry looks inwardly and bans referral fees and the affect they may also have on client's premiums.

Professional Indemnity Insurance

We receive more new enquiries for Professional Indemnity Insurance than any other type of policy we offer, although there are still many businesses who are not aware how this cover may assist them. This insurance policy can protect your business from compensation claims if the professional advice or service you provide causes injury, damage or some type of financial loss.



At Sharrocks we provide cover for the typical professional indemnity clients such as, architects and surveyors but also “new professions” including website developers, social media and PR consultants and even companies that provide life coaching in the art of seduction!

How does this differ from the policies your business will already have in place?

Public and Products Liability policies provide protection against claims arising from defective design or advice provided with the product supplied. The cover will exclude liability when the design and or advice is supplied for a fee and results in financial losses not resulting from accidental damage or injury.

Professional Indemnity can protect your business from potential compensation claims arising from:

- the dishonesty of your employees, partners or directors
- negligence (or breaches of duty of care)
- the unintentional infringement of intellectual property rights
- the loss of documents or data

Perhaps this is not an insurance policy you have considered in the past but many companies are for the following reasons:

- It is required for a regulatory requirement or on an increasingly more common basis as a contractual requirement
- Provides peace-of-mind financial protection for your business even in the event of an invalid claim. In certain circumstances it also covers fees owed by a client who refuses to pay because of your negligent act and threatens to counter-claim should you pursue what's owed to you.
- Minimises disruption to your business in the event of a claim against you

For a further advice or to seek a suitable quotation simply give us a call today!



Corporate Manslaughter Cases On The Increase – Are you protected?

As every company seeks new ways to make savings and increase profits in these financially difficult times many are reducing their health and safety policies and procedures. According to news released in January the number of corporate manslaughter cases brought about by management failures and a gross breach of duty of care have increased by up to 40%.

So far there have been 3 successful prosecutions however there are 56 cases pending at the time this story was released. According to the article published in the Telegraph on 28th January 2013 Simon Joyston-Bechal, partner at Pinsent Masons, said companies could not dismiss the risk due to the low conviction rate.

“Corporate manslaughter cases are very complex and can take a long time to come to trial,” he said. “We can now see from these figures that there are a rapidly growing number of cases in the pipeline.”

As well as reviewing health and safety plans and updating risk assessments directors and those responsible in companies should ensure they have adequate management liability/directors and officers protection in place. Following the introduction of the Corporate Manslaughter and Corporate Homicide Act 2007 legal action against companies is now easier and heightened the exposure of directors and officers to their personal liability.

A Directors and Officers/Management Liability Policy will be issued in the name of the business but protect the financial loss to director or officers from an alleged wrongful act. Should the company in its bye-laws, or in any contract arrangement between the company and the officer be required to indemnify its director or officer, a payment will be made from the insurer to the company.

This protection is often overlooked by companies but protects the organisation and its decision makers from potential significant legal costs in defending a variety of litigations. To seek further advice or a full quotation simply give us a call or download our easy to complete questionnaire on our website:- http://www.sharrockinsurance.co.uk/userfiles/files/dando_poposal_form.pdf



£3,400 Raised For Charity In 2012

Following our corporate Crazy Golf Day in May last year, sponsored climb of Mount Snowden in September and our Christmas Fair at the Windmill we raised over

£3,400 for our chosen charities. We would like to deliver a BIG thank you to all of those who have kindly donated and supported Sharrocks Send a Smile in 2012!

To keep updated about our charity campaigns please visit our website

www.sharrockinsurance.co.uk
or tweet us [@SharrocksInsure](https://twitter.com/SharrocksInsure)

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