

Professional Help

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Steve Collins's CEO, PS5 Ltd

Insurance... boring... well, not everyday!

Unique is certainly one word which encapsulates Stockport's PS5 Ltd. For more than 20 years PS5 have been pioneers in the design, production and publication of promotional, training and educational material, for the law enforcement, defence and the security industries worldwide. In addition to its own quarterly journal and security related 'Lifeline' product range, PS5 also has its own training wing which delivers specialist training to both the private and public sectors with specific focus on weapons awareness and personal protection from violence, aggressive behaviour and terrorism.

Such is the complex nature of the PS5 operation, that prior to becoming a client of PHP there was an array of insurance problems that Jullian Shawcross sought to unravel.

Steve Collins, CEO of PS5 explains. "PHP already had clients active in a similar market place to ours and so understood which insurers would

listen to our problems and the kind of proposition that would be fair and reasonable. The minute you mention the word's weapons, violence or terrorism to insurance companies they mostly run a mile and don't think through or even try to understand the risks and how they are managed. We became almost ostracised and were stuck with a horrendous 'take it or leave it' premium. We could not seem to make the insurance companies understand that because we are all in the grip of ever increasing violence and threat of terrorist attack the highly specialised work PS5 undertakes actually helps to cut down risk and therefore insurance claims. Not to mention PS5's work actually saves lives. So why should we be penalised for doing a job that in point of fact saves insurance companies money".



Then, PHP came along and I knew that once they fully understood our business, they could

make a real difference to our cover and also, in the process save on the cost." It's not as if you can log on to the internet with complex insurance matters, and even if it were, who do you turn to when things for whatever reason aren't going as smoothly as you want?"

Some of the experiences in such a complex and niche sector have allowed PHP to develop a unique solution for professionals involved in the conflict management sector. Whilst putting such facilities together can be time consuming, there is no doubt, that the end product of knowing the client and their market can create a huge opportunity.



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Floods - What next?

Whether we like it or not climate change is here to stay and going forward it will impact on all of us both directly and indirectly. As a nation we may not be in the front line of weather extremes but there is little doubt that flooding of the kind we witnessed last year will become more frequent.



So what does this mean to the insurance buyer? A policyholder may not live on a flood plain or be exposed to the consequences of coastal erosion but the very existence of properties located in those areas will impact on every insurance buyer.

The insurance industry lost substantial sums of money last year, paying for the consequences of natural disasters and the reserves needed to meet further such losses are very much depleted. It is common knowledge amongst insiders that insurers have for some time been shoring up their results with payments from earlier, more profitable times but many have now reached the point where it is necessary to generate additional revenues in order to be ready for the next natural disaster.

If you live on the top of a hill in the middle of nowhere you will not be immune from paying more for your

insurance protection. After all it is the premium contributed by everyone that is used to pay for the misfortunes of the minority and this will continue to be the case moving forward. It is true that those policy holders who pose a greater risk because of where they live will be in the firing line as insurance will not be available to them but equally the rest of us are going to have to pay extra to ensure that reserves are available to meet the natural disasters of the future.

At PHPL we monitor the market on a constant basis to ensure that we are able to purchase protection on behalf of our clients even when the circumstances dictate that a particular risk is outside of the normally accepted underwriting parameters. If you feel that your home and possessions are at risk please give us a call and we will be happy to provide you with a quotation.

Protect yourself as well as your business

In today's litigious society, people are quick to point the finger when things go wrong.

The benefits of Directors liability protection are likely to be well known to executives on the boards of large national or multi-national organisations, who are familiar with the risks of legal action, which go hand in hand with the responsibilities of their roles. The fact that the directors of smaller companies, charities, trusts and other 'not for profit' organisations also face comparable risks is not widely recognised.

Legally, irrespective of a company's 'Limited' status, directors, and those in a position of responsibility, can be liable for decisions made on the company's behalf, whether or not they were directly involved or are being remunerated for their role. This means



that as a director or executive, your own personal wealth could be at risk.

Directors and Officers can obtain insurance against the acts undertaken in the running of an organisation, as well as those involving negligence and breach of trust arising from an honest mistake. Defending a claim can prove exceptionally expensive, as experts and professionals are called in to represent you. Therefore, it is vital that there is adequate cover in place to encompass these costs, and ensure that your business is not financially affected.

With all stakeholders being potential sources of legal action, and with new laws being introduced, the possibility of becoming embroiled in an official investigation, or litigation, is heightened. As such, organisations are realising the importance of insurance

cover and the place it has in their insurance portfolio.

We have sourced a market leading product underwritten by Hiscox that has been designed to meet the complexities posed by modern day business affairs. The cover is very simple to put into operation and is a purchase that will certainly allow you to sleep a little easier at night.



Hiscox's theme of a gavel is a stark reminder of falling foul of the law

Back to the classroom

At PHPL we are constantly on the look out for ways in which we can keep clients informed without bombarding them with tons of paper. Obviously this newsletter together with the recently launched E-shot are both useful in that they are topical and raise an awareness on specific points without actually providing clear cut solutions. However, some issues are so fundamental to the administration of an insurance programme that they require an approach which is both focused and detailed.

For some time now we have been looking to put together a seminar that can bring people together in a professional environment and actually add value to their knowledge base by addressing an issue that is relevant to their day to day handling of the insurance programme. We appreciate

that this isn't a new thing and that subjects do get flogged beyond recognition and with this in mind we have come up with the idea of a seminar on claims.

Yes, it sounds simple and it should be, but the reality of today's market place is that more and more insurers are looking to draw on the restrictions contained in a policy as a means of avoiding payment. To be certain of payment the client needs to understand the policy restrictions up front, make sure that there is full compliance with the requirements of the policy on their part and then have

the services of a specialist claims broker to negotiate on their behalf.

Working with a leading insurer and a business recovery specialist we are certain that we can put together a programme that is both informative and practical. Furthermore we believe that in addressing the very core of the insurer/policyholder relationship we can significantly reduce the number of problems that arise on claims.

We are looking to hold this seminar in the early autumn and further details of content, location and speakers will follow over the coming weeks.



Here we grow again

The last year has seen a period of sustainable growth at PHPL. During a time when downward pressure on rates has been maintained and the economic outlook has deteriorated we have continued to move forward with the expansion of our business based on our core principles of added value and client first at all times.

In order to make sure that our own high standards are maintained we are constantly on the look out for quality staff who can make a difference and add value to the service we provide.

2007 saw us engage the services of Don McCulloch as an account executive and external servicer of corporate clients. His biography was profiled in the letter issued last summer. Also at the end of 2007 we were fortunate to be able to expand the team internally through the recruitment of Chris Roscow. Chris brings youth and enthusiasm to the back office and some of you will already have had the pleasure of dealing with him.

From a claims background (in my opinion the best grounding any young person can have) Chris is maturing into a good all round account handler.

He has quickly integrated into the team and is now handling the day to day needs of a number of our clients.

At the tender age of 21 he has a bright future in front of him and he is currently studying to progress his knowledge through the Chartered Insurance Institute professional qualification system.

PHPL continues to search for new recruits that can meet the required skill set. We are more than pleased with the people we have recruited to date, confident as we are that collectively they represent the very best of breed within the industry. However we are not prepared to sacrifice the very high standards we have set for ourselves and we are happy to confirm that in this critical area of service only the best will do.

Business Continuity Management

By Paul Johnson, Director of Risk & Continuity Services, Value Generation Limited

Taking risk enables organisations to make innovative progress, expand market share and generate an enhanced return for stakeholders. But risk taking today is increasingly precarious as modern organisations become heavily reliant on IT, communications and third party outsourcing.

If unplanned disruption occurs organisations must act rapidly to recover and restore normal business operations. But the evidence here is worrying as many businesses don't return to normal after a crisis. In fact, according to the London Chamber of Commerce and Industry in 2003, '43% of companies experiencing disaster never recover'.

Business Continuity Management (BCM) enables organisations suffering from unplanned disruption to react in a timely and proactive manner. Implementing BCM involves a 'whole of business review' to identify key business risks and assess the resilience to unplanned disruption. In essence the review identifies critical assets, processes, people, technologies and suppliers; and finds out what could threaten them.

Strategies to protect those critical assets; resources and processes can then be developed and these strategies feed into written Business Continuity Plans, the part of the process that most people would recognise as BCM.

In November 2007 the Business Continuity Institute released BS25999 a Business Continuity Management Standard (in final specification form). This Standard is the bench mark against which Business Continuity Planning will be assessed in the future.

For most business owners the most important question is; what benefits can BCM bring to the bottom line?

Well it can help win and retain business, as larger customers are increasingly requiring their suppliers to have BCM measures in place. The business world is growing more attuned to the concept of supply chain resilience. Simply put, a business must be able to withstand a material disruption and continue to maintain a service to customers and clients.

But more importantly BCM is a really good opportunity to take a look at the company with fresh eyes and if implemented properly it will provide a clear picture of a business's strengths and vulnerabilities. Through the process of self-examination inefficiencies are identified and changes can be made to introduce more streamlined operations and increase profitability.

And then if the worst does happen, an organisation which has effective BCM will be better prepared to withstand and manage the impact of a disruptive event.

In summary, BCM can improve corporate resilience, enhance operational efficiency, increase profits and be used as a very effective marketing tool to show customers how strong and robust a business truly is.



Value Generation provides specially designed strategy, efficiency, risk and business continuity products for small and medium sized businesses (SMEs). These include Continuity10 a comprehensive Business Continuity Plan that can be introduced in an effective and cost efficient manner. In addition, whole of business reviews are undertaken through the SME-assist Lite service. **At present, a £1,000 European Grant is available against the cost of this service commencing at £1,395 (ex VAT) for businesses with turnover below £2.5m or £1,895 (ex VAT) for turnover not exceeding £10m. Further information and details of how to contact us can be found on our website: www.valuegeneration.co.uk**

Alternatively, email us at: info@valuegeneration.co.uk

STOP PRESS...STOP PRESS... STOP PRESS...

The migration factor

Did you know that the larger insurance brokers are following the direct underwriters and exporting their non-core services to large corporate centres either in the U.K. or in some cases overseas? What this will do the traditional services offered by professional brokers is anyone's guess but history tells us that the only losers will be the clients. *WATCH THIS SPACE.*

Consolidation Good or bad?

The broking sector continues to get smaller as the regional brokers succumb to the blandishments of consolidators with large war chests. Is this bad for the industry? We think so. With the consolidators stripping out costs and thereby service levels combined with commission levels of more than 40% in some cases the only loser is the customer.