

PRESS RELEASE

Insurance can be more important in tough times

Whilst some covers can be reduced to meet new circumstances, extra ones should also be considered

When the going gets tough, every sensible business looks at its costs and tries to make savings. For some, it is good housekeeping and for others, it may be a desperate attempt to stay in business. The premiums for many types of insurance are based on activity levels of the business and may be lower if stock levels fall, profits reduce, turnover and wages are cut or vehicles are sold or taken off the road. You should advise us if any of the above applies, but we will be raising this, in any case, at your annual review.

It may be tempting to cut out some covers, but this is not recommended, apart from those companies where survival is in doubt. In the current climate, when borrowing is difficult, it may be less easy to withstand an uninsured loss than when times are good. A shortfall in any claims settlement may trigger a cash or credit crisis and deflect you from concentrating on the health of the business overall.

Indeed there are some covers which become even more valuable in these uncertain times and may be worth considering if you do not have them at present:

Commercial Legal Expenses/ Employment Protection

This insurance covers the costs of legal disputes and unfair dismissal awards. In a recession, litigation increases and of course many employers are grappling with the problems of reducing their work force. Sound advice is worth having especially with the knowledge that, if it does go wrong, any payouts are covered.

Directors and Officers Liability

There are an increasing number of circumstances, where directors and officers are sued as well as the company. This trend increases when the financial future of a business is in doubt. If successful, a director can not only lose the business but personal assets as well.

Credit insurance

This type of cover has had a great deal of bad publicity lately but still provides a cushion against a client going insolvent. It also helps businesses make credit decisions. It is a viable alternative to factoring or invoice discounting and can help with bank borrowings and cash flow.

All these covers may well be worth considering in the current climate and if you would like further details, just contact us.

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Produced by Ray Johnson (23/04/2009)

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Notes to editors:

About Independent Insurance Services

Independent Insurance Services is an independently owned insurance brokerage established in 1991. It is registered to BSI ISO 9001:2000 and 14001:2004 and has a full environmental management system in place. The company has won many awards for customer service standards, community involvement, quality and environmental.