

Commercial Insurance Profile

July 2019

Protect Your Property or Pay the Price: The Numbers Behind Organisational Theft

Recent research revealed a **24% increase** in theft-related insurance claims among SME properties in the last three years.



Source: Insurance Experts

Provided by:

Laurie Ross Insurance

0141 259 0088

www.laurieross.com/business

Laurie Ross
Scotland's Personal Insurance Broker

Your Supply Chain Is Probably Underinsured—How to Fix It

While many organisations combat the risk of underinsurance by purchasing robust cover to protect against disasters that could take place within their own establishment (eg a fire or flood), underinsurance is a risk that runs beyond your company's walls—your supply chain needs cover too.

Indeed, it's common for various organisations—such as manufacturing or transport businesses—to have a long list of suppliers. And while you might think a supply chain concern is automatically covered in your business interruption policy, think again. Without robust insurance, all it takes is a single supplier's setback to collapse the remainder of your chain and cause serious financial downfall. Especially in the age of Brexit, this possibility is as acute as ever.

Consider the following guidance to ensure your organisation possesses the appropriate cover to protect against a supply chain disaster:

- **Name every supplier**—Many organisations make the mistake of only naming tier-one suppliers in their business interruption policy, providing no insurance protection in the event of a catastrophe that occurs further down the chain. Be sure to name your entire supply chain within your policy to avoid any underinsurance issues.
- **Include non-physical damages**—Although business interruption insurance typically offers cover for physical damages—such as property destroyed by a natural disaster—it's crucial to ensure your policy provides protection for non-physical damages throughout your supply chain as well. For example, while a supplier suffering from a major cyber-attack might not cause physical damages, it could still significantly disrupt business operations.
- **Don't forget about delivery disasters**—Another example of non-physical damage that could still wreak havoc within your organisation is supplier delivery problems. Make sure your policy extends to common supply chain disruptions such as loss of goods in transit, or storage and delivery delays.
- **Update your policy**—As your organisation's supply chain evolves, so does your risk. With this in mind, failure to update your policy as these supply chain changes occur could result in inadequate cover in the event of a claim. For instance, if your business is stockpiling to prepare for Brexit, it's vital that you inform us to increase your sums insured.

For more help securing proper cover, contact our Business Insurance Team on 0141 259 0088 today.

Revealed: The Top 5 Supply Chain Risks for 2019

1. Global trade wars and Brexit



2. Raw material shortages



3. Safety recalls



4. Climate change



5. Strict environmental regulations



Source: DHL

Protect Your Organisation: Theft Against Businesses Is on the Rise

Theft is a serious concern for any organisation, regardless of size or industry. What's more, recent research revealed that theft against businesses is on the rise. In fact, the Crime Survey for England and Wales discovered an 8 per cent increase in theft offences between 2017 and 2018—totalling over 3.5 million reported cases over the course of just one year. Between physical burglaries and cyber-attacks, the following organisational theft trends have emerged:

- **Motor theft**—Insurance experts found that the cost of motor theft claims increased by over 30 per cent from 2017 to 2018. Further, many car thieves have utilised technology to steal keyless entry cars. By using a relay device to intercept the signal from a vehicle's key fob, thieves can now steal a car in less than a minute.
- **Metal and tool theft**—Especially in the manufacturing and construction sectors, metal and tool theft are significant issues. Metal theft costs the UK economy nearly £770 million every year, and over 50 per cent of builders were victims of tool theft in 2018.
- **Cyber-crime**—More than 30 per cent of UK businesses experienced a cyber-attack in the past year. Although cyber-crime doesn't necessarily result in physical damages, the costs of stolen data—and steep GDPR non-compliance fines, for that matter—are high.
- **Retail theft**—The cost of retail crime jumped by 12 per cent in 2018, with organisations suffering a total loss of £700 million in customer theft alone, a 30 per cent rise from last year.

Such startling statistics highlight the importance of purchasing robust insurance. For more information contact our Business Insurance Team on 0141 259 0088 today.

Here's What Your Business Can Learn From the Notre Dame Fire

As flames engulfed the Notre Dame Cathedral this past April, such a tragedy emphasised the grim reality that no building is immune to the costly consequences of a fire. Review these lessons learned from past fire disasters to ensure your organisation is practising proper fire prevention and mitigation methods:

- **Eliminate common causes**—Try to eliminate commonly overlooked causes of fires, such as on-site smoking, overloaded circuits and improper electrical installations.
- **Control the flames**—If a fire does occur on your property, it's crucial to have controls in place to keep the flames from spreading. This includes compartmentation (installing separating walls) and an effective sprinkler system.
- **Communicate with contractors**—If you have contractors on-site, it's vital to discuss the responsibilities of each party for reducing fire-related risks—especially if hot work is involved.

The content of this Profile is of general interest and is not intended to apply to specific circumstances. It does not purport to be a comprehensive analysis of all matters relevant to its subject matter. The content should not, therefore, be regarded as constituting legal advice and not be relied upon as such. In relation to any particular problem which they may have, readers are advised to seek specific advice. Further, the law may have changed since first publication and the reader is cautioned accordingly.

© 2019 Zywave, Inc. All rights reserved.