

IMPORTANT INFORMATION – COMMERCIAL CUSTOMERS

The Insurance Act

On 12th August 2016, The Insurance Act 2015 replaced the previous Duty of Material Facts Disclosure. This important Legislation changed how Risk Information is provided to your Insurers as well as how Insurers apply conditions and address fraudulent Claims. In order to ensure that your Business is adequately covered, it is your ongoing responsibility to disclose all relevant and material information about your business to your insurer. This includes providing accurate and honest details regarding your business operation, activities and management.

You must disclose all known material circumstances that could affect your insurer's assessment of risk. This includes information that may be known by your Directors, Senior Management Team, Middle Management, Health & Safety Officers or any other staff member who may have knowledge of facts that are material to your business.

Examples of information which should be disclosed are as follows:

- Purchase, construction or occupancy of premises/property; alteration, vacation, unoccupancy (where this is likely to exceed 30 days), refurbishment, extension or demolition of existing premises/property.
- Increases in values in excess of insured limits for buildings, contents, computer, stock etc.
- Removal of Stock or Equipment to new locations.
- Hire, lease or borrowing of equipment.
- Contractual liabilities/granting of indemnities or hold-harmless agreements.
- Changes of processes, occupancy, products or territory customer base (Importing & Exporting).
- Any new activities or alterations to the Business Description lodged with Insurance Linx.

- Proposed installation of pressure plant or new key machinery.
- Alteration, amendment or disconnection of fire or security protection systems (including Intruder/Fire Alarms Systems).
- Notification of all serious motoring convictions of drivers as and when they occur.
- Use of aircraft or waterborne craft except for ordinary travel.
- Newly acquired companies, whether wholly owned, co-venture or joint venture.
- Past Convictions, County Court Judgements, Bankruptcies, Liquidations, Company Administrations or Individual Voluntary Arrangements.
- Non-UK Residency Status

To ensure you meet your disclosure obligations and maintain appropriate coverage, we recommend discussing any questions or concerns with Insurance Linx. We will be able to guide you on the specific details that need to be shared with your insurer.

InsuranceLinx



...together we're stronger.

Insurable Risks/Gaps in Cover

For your information detailed below are some of the risks which cover may be available via Insurance Linx and you may wish to consider cover for (if this is not already Insured) . This list is only a guide and should not be taken as an exhaustive list. If you are in any doubt, please advise Insurance Linx.

Should you wish to discuss these, please contact Insurance Linx.

Properties/Assets

Fire and Specified Perils
Subsidence
Sprinkler Leakage
Theft/Larceny
All Risks
Money
Computer
Deterioration of Stock
Terrorism
Glass

Business Interruption

Loss of Profit/Revenue
Reinstatement of Computer Records
Reinstatement of Documents
Loss of Rent Payable/Receivable
Increased Cost of Working
Loss of License
Research Expenditure
Suppliers/Customers Dependency
Utilities Dependency (full cover or substation)

Motor

Motor Legal Expenses
Vehicle Airside Liability
Occasional Business Use

Legal Liabilities

Employers Liability
Public Liability
Products Liability
Professional Indemnity
Medical Malpractice Liability
Libel/Slander
Directors and Officers Liability
Employment Practice Liability
Financial Loss/Efficacy
Cyber Liability
Airside Liability

Other Risks

Goods in Transit/Marine
Personal Accident
Business Travel
Commercial Legal Expenses
Computer Fraud
Intellectual Property Legal Expenses
Fidelity Guarantee/Crime
Private Medical Insurance
Contract Works
Engineering Inspection/Breakdown
Loss Assessor Fees
Exhibition
Hired in Plant
Latent Defects

Key Information

Average Clause

Whenever an item is subject to the "Average Clause", a claim payment will be proportionately reduced if the actual value of the property exceeds the sum insured.

For example, if a property is insured for £100,000 but the actual Rebuilding Value should be £200,000 then the property would be 50% under insured. In the event of a loss of the "Average Clause" would reduce the Claim Payment. If the Loss were £50,000 for example, the Insurers would reduce any claim payment by 50% (Average Clause) so you would only receive £25,000.

Effectively a penalty for underinsurance, the "Average Clause" is now strictly applied by most insurers and unless advised otherwise, this will apply to any Material Damage, Business Interruption or Computer Policies. As a consequence, it is vital that sums insured are regularly reviewed and maintained at the correct level.

Reinstatement Cover

In the event of damage or loss, Reinstatement cover means that the insurer agrees to repair, replace or rebuild the insured property to its original condition as if the damage had never occurred. This means the insurer will provide enough compensation to restore the property to its pre-loss state, rather than just paying the market value or amount it was insured for at the time of the loss.

It should be noted that the "Average Clause" will apply and your claim payment may still be reduced (for a definition of average see above).

Unless stated otherwise in your policy schedule, a Reinstatement Cover basis will apply to all property insured and the Insurer is under no obligation to offer a "Cash" Settlement.

Please remember that for reinstatement to apply, reinstatement must actually be carried out.

Key Information

Sensitive Insurance Areas

The under noted are "sensitive areas" in the Insurance Market. Any involvement directly or indirectly should be advised to Insurance Linx immediately. These are only examples and should not be taken as an exhaustive list.

- Aviation/Aerospace Industry
- Marine Craft/Submersibles
- Offshore Rigs/Quarries/Mines/Docks
- Pollution/Environmental Impairment
- USA/Canada Exports
- Unstable/Distressed Territories
- Nuclear Industry
- Pharmaceuticals/Petro Chemical
- Hazardous Locations
- Asbestos
- Automotive Industry

If you are in any doubt, please contact Insurance Linx immediately.

Pandemic/Epidemic Cover

At the time of the outbreak of COVID-19, the vast majority of insurance policies did not cover losses arising from the pandemic. There were however a small number of Insurers who inadvertently included this cover within their Policy Terms. As a result, Insurers have now reviewed and up-dated their Policy Wordings and unless cover is specifically included in the Policy Schedule then this cover will be excluded within the terms of the Policy Wording. This is now a standard Exclusion across the Industry and cover cannot be provided going forward.

Retention of Legal Liability Insurance Policies

Claims for compensation related to health issues and other problems caused by gradual factors, such as industrial diseases from current or former employees are quite common.

The claims are typically covered by the insurance policy that was in place at the time of the alleged exposure. Since these claims may arise many years or even decades after the exposure occurred, Insurance Linx recommends that you retain all Legal Liability insurance policy documentation indefinitely, including those from former subsidiaries and any future acquisitions.

Electrical Inspections

The majority of insurers are now insisting that all Fixed Electrical Installations are inspected at least every 5 years by a NICEIC approved Contractor. Failure to adhere to this requirement may invalidate Policy cover.

Terms of Credit

Unless specifically agreed with you, Insurance Linx standard credit terms are 30 days from effective date of cover. Alternatively should you wish to spread your premiums, in most circumstances Insurance Linx are able to offer a monthly payment facility using an external Premium Credit Provider. Further details are available on request. Please note that paying for your insurance using finance will increase the overall cost of your insurance.

Motor Insurance Database

As part of initiatives introduced by European legislation, insurance details for all motor vehicles must now be recorded on the Motor Insurance Database (MID). Any vehicles in your possession for 14 days or more must be added to the MID without delay.

If you hold a Motor Fleet or Motor Trade Policy, it is likely that responsibility for updating the MID will rest with you. If you are in any doubt whether updating the MID is your responsibility then please check with Insurance Linx urgently.

Bodily Injury Claims

Strict time limits are now in place for handling claims related to bodily injury. Failing to meet these deadlines could result in serious consequences in court and may affect your insurer's ability to provide the strongest possible defence on your behalf.

If an incident occurs that could lead to a claim, we recommend following the procedures in the section titled "How to Make a Claim".

How to Make a Claim

If you experience loss, damage or an incident that may lead to a claim, you should:

- Take all reasonable steps to protect property/equipment and prevent further loss/damage
- Keep any damaged property for inspection
- Theft, Malicious Damage or lost property should be reported to the Police as soon as possible
- Record a clear and detailed account of the incident including the circumstances as soon as possible after it occurs. This helps ensure accurate information can be submitted to insurers
- Urgent Matters & larger losses (over £2,500) should be reported to Insurance Linx by telephone/e-mail in order to ensure prompt attention (e.g. appointment of Loss Adjusters/Assessors etc.). Delay in reporting incidents to insurers is a breach of policy conditions and may lead to the claim being rejected
- Complete a Claim Form (where required) – You should not delay reporting a claim because you are awaiting Invoices
- Third Party correspondence should be forwarded to Insurance Linx without delay. Do not admit Liability or make any payments to Third Parties under any circumstances as this may prejudice insurers position in defending any claim on your behalf
- Collect Names/Contact Details of any Independent Witnesses (please note a passenger in your vehicle is NOT an Independent Witness)
- If you receive a Writ/Summons or any other Legal Notice, please pass this to Insurance Linx immediately as there tend to be strict timescales in dealing with Legal Correspondence