



10 Steps to Reducing your Business Insurance Costs

1. Use a BIBA Broker – these are the brokers that are authorised and regulated by the Financial Conduct Authority (FCA). You can check Severn Bay's registration at <https://register.fca.org.uk/>

Having the right cover is far more important than having a low premium – it can be 'penny wise but pound foolish' to purely focus on cost. Using a broker who will take the time to really understand what you do and how you run your business is the key to making the best presentations to insurance companies, who will then be able to offer you the best terms, because they understand your risk in detail too.

Having the right type and levels of cover is crucial should the worst happen. This is particularly important for Business Interruption cover, where the right levels of cover can mean the difference between recovering from a major incident or not.

Companies Sufferin a major fire (Source Chubb)



2. Find a Broker you trust and who is a specialist commercial broker

Ask your broker how much commission they are earning from your policies – you might be surprised how much it is! Here at Severn Bay we don't take commission from insurers, so we work for you and there is no conflict of interest. We will never place your business with an insurer because they offer us higher levels of earnings. We charge professional fees which reflect the work we do for you. There are two reasons for this: a. It means we are open, honest and transparent with you and b. You pay Insurance Premium Tax on the commission another broker would earn, whereas there is no IPT on Professional Fees. From June 2017 IPT is 12%.

Call or email to arrange a visit from one of our experienced team





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The correct technical solution at the lowest price in the market

3. Make sure your broker has access to the whole of the market – let your broker do the ‘shopping around’ for you! Some brokers are tied to using only a limited number of insurers and companies like the NFU and Swinton are only able to offer a single product – they will never be able to offer you alternatives

4. With your broker – regularly review the type and levels of cover you need – these can be stock levels, buildings sums insured, vehicles on a fleet, limits of indemnity for liability covers...making sure you are neither under or over insured.

Under insurance can lead to issues if you have to make a claim as the insurers will reduce their payment to you by the amount you are under insured and there’s no point in over insuring something as the insurers will only pay out the actual value of an item at the time of the loss, regardless of how much cover you take out.

Buildings are always insured for their rebuild cost, not their retail value. The best way to find this out is to use a building surveyor – or for a quick guide you can refer to the ABI BCIS Rebuilding Cost Guide which can be found at <https://abi.bcis.co.uk/>

5. Risk Management is the key – proactive risk management is the most effective way to reduce your premiums – this not only includes the things covered by your insurance, but also by taking a good look at all the things that could affect your business and producing an effective Business Continuity Plan, you are decreasing the risks to your business. Insurers are increasingly expecting businesses to have a Business Continuity Plan before they will offer terms. Severn Bay are able to offer a full review of the risks posed to your business and can offer various proposals for producing an effective working plan.

“fail to plan – prepare to fail”

6. Train your workers – well trained employees, working with good quality risk assessed processes are far less likely to injure themselves or someone else, reducing claims and making sure your premiums don’t increase.

This includes people like delivery drivers as just because they’ve passed their driving test it doesn’t mean they know the best procedures for loading or unloading their vehicles.

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7. Correctly Classify your workers – Labour Only Sub Contractors i.e. self-employed workers who only bring themselves and a bag of tools are classified as your employees as far as insurance is concerned, so you have to declare them as such.

This also includes any volunteers that are working at your instruction. Failure to comply with the law regarding Employers' Liability can lead to a maximum penalty of 14 years in jail and an unlimited fine – which starts at £2,500 for every day you don't have EL cover!

8. Improve your Security precautions – having an intruder alarm that has been fitted and is maintained by wither and SSAIB or NSI NACOSS registered company will allow your insurer to offer discounts on your premiums. The right fire extinguishers or even better, a maintained sprinkler system will also allow the insurer to lower their premiums.

9. Give your broker a target to work to - make sure your broker knows what your premium expectations are. There's no point being unrealistic, but unless we can give insurers a target, they won't know what they're trying to achieve for you.

10. Ask Severn Bay Corporate Solutions for a quote

STANDARDS & VALUES

WE ARE PROUD OF OUR HERITAGE AND OUR REPUTATION AND WE WILL ALWAYS STRIVE FOR THE VERY BEST IN EVERYTHING THAT WE DO.

WE WILL MAKE EVERY EFFORT TO KNOW OUR CLIENT'S AND WE WILL PROVIDE SIMPLE, ELEGANT SOLUTIONS, WHICH ARE EASY TO UNDERSTAND AND MEET THEIR NEEDS.

OUR ONLY CONCERN WILL BE TO MAKE RECOMMENDATIONS IN OUR CLIENT'S BEST INTEREST, AT THE LOWEST PRICE AVAILABLE IN THE MARKET.

WE WILL NOT TAKE COMMISSION FROM INSURERS AND OUR FEES WILL ALWAYS BE DECLARED OPENLY AND TRANSPARENTLY.

SERVICE EXCELLENCE AND INTEGRITY ARE EVERYTHING!

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