

Can you benefit from a rather different approach?



In previous editions we have focused on the various methods available when reviewing your insurance and risk management programme, namely:

- The Conceptual Review
- a review without approaching insurers
- Costed or Open Market Review
- a review where insurers are approached by all reporting brokers
- Nominated Market Exercise
- where specific markets are allocated to competing brokers

Irrespective of which review method is selected our clients have found conducting a review has achieved many of the following benefits:

1. Improved cover at similar or reduced cost
2. Cover in unusual or difficult situations
3. Confidence that there are no gaps in cover
4. No "quick wins", but long term savings

5. Technical expertise
6. A complete, prompt service
7. Ability to handle health and safety and other regulations
8. Imaginative thinking providing new solutions
9. An open relationship - a partner rather than just a supplier
10. Access to first class insurers to share the risk

We have produced a free guide on how to carry out insurance reviews and what you should expect to gain from the review process. If you would like to receive a copy please contact marketing@griffithsandarmour.com

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the **COVER**story

'Risk is Our Business'

Welcome...



Matt Donnelly
Managing Director
Griffiths & Armour Insurance Brokers Ltd

...to the latest edition of our newsletter, which maintains the theme of keeping corporate buyers up to date with the fast pace of change within the insurance market.

2008 continues to be a challenging year for the insurance market with many insurers insisting that the softening of the market cannot continue.

Positively differentiating your risk within the market will become increasingly important and we can certainly assist you in this through the quality of our people, including our professionally qualified risk managers who work as part of the client teams.

Within this edition we lead with the insurance market's response to the long awaited Corporate Manslaughter Act, your potential exposure to global risks and our recently launched driver training assessment facility.

We hope you enjoy this issue. Please contact me if you have any comments or queries arising out of this edition.

Corporate Manslaughter and Corporate Homicide Act 2007

On the 6th April 2008 the above act came into force in the UK with a new offence of Corporate Manslaughter (Homicide in Scotland) being created. This charge will no longer require that a 'controlling mind' be identified to successfully prosecute a company and will make it easier for prosecutions to be brought. The requirement will be to show gross negligence at a senior management level.

The charge will be made against the entity and not one or more of the directors as individuals. As a result penalties will not include custodial sentences but large fines (early indications show up to 10% of annual turnover) and publicity notices forcing the guilty company to publicise the conviction.

The insurance industry has been slow to respond despite the long lead in time for the legislation. The majority of insurers have indicated that cover being provided for legal defence costs under Employers' and Public Liability insurances, with Norwich Union releasing a specific wording to brokers. Both RSA and Zurich have promised press releases shortly. The majority of the market is gradually following suit but there is by no means a united position thus far. Although the levels of cover vary the table below summarises the insurers who have announced a change to their wordings to include cover.

Insurer	Employers' Liability	Public Liability	Motor Fleet
Norwich Union	✓	✓	✓
RSA	✓	✓	✓
Zurich	✓	✓	✓
AXA	✓	✓	TBA
Allianz	✓	✓	✓
AIG	✓	✓	TBA
QBE	✓	✓	✓
ACE	X	X	N/a
Travellers	✓	✓	TBA

Insurers' stances are evolving so giving a definitive answer for all is difficult. It is important that all companies review their insurance policies to ensure that cover will be provided now that the legislation is in force.

If you require further advice and guidance then please contact us at marketing@griffithsandarmour.com

Matt Donnelly



Are you exposed to global risks?

With the increasingly global nature of business it is not unusual for many companies to establish a local presence outside the UK. This raises many issues such as:

- Do you employ locals or UK nationals?
- What legal structure will be adopted for the Company?
- Should local insurances be placed or can risks be covered from the UK?

If left to their own devices local offices may not put in place cover at all or arrange local cover which is:

- Inconsistent with Group practice
- Limited in its scope
- Inadequate for potential liabilities
- Overlapping with the UK arrangements

The above approach fails to make use of Group purchasing power and implementation of a Group philosophy is hard to achieve.

Our usual method is to assist the Parent Company to decide on an insurance programme incorporating local cover (where required) and 'umbrella' protection from the UK. This reduces the risk of gaps in cover whilst maintaining local office involvement. Advantages of our approach are as follows:

- Allows autonomy for local management
- Premiums are fully tax deductible on a local basis
- Policies are more easily understood by local management
- Local management retain interest in insurance and loss prevention
- Local broker and insurer service
- Uniform level of cover
- Compliance with local legislation
- Takes advantage of Group purchasing power
- Broad policy cover at a lower premium



This programme enables the Parent Company to insure its assets, earnings and liabilities to a consistent level of protection and minimise any gaps in cover.

The choice of the insurer when selecting the above strategy is also crucial, with some insurers having high minimum premiums for each policy placed in a territory. Expertise and office infrastructure is also critical in selecting an appropriate carrier.

Through our international client base Griffiths & Armour have extensive experience in placing global insurance programmes.

If you have assets or offices outside of the UK we would be delighted to discuss the best approach for you and can advise you on the local legal requirements for each territory. Please email marketing@griffithsandarmour.com with a note of the countries required for further information.

Carl Edwards

Director
Griffiths & Armour Insurance Brokers Ltd

"Our usual method is to assist the Parent Company to decide on an insurance programme incorporating local cover (where required) and 'umbrella' protection from the UK."

Driver Training and Assessment Facility

For many people driving has become the most dangerous at-work activity, with accidents in working vehicles so numerous that studies are underway to discover precise causes, so that health and safety action can be appropriately targeted.

Directors now face fines or even jail if the company's vehicles and drivers are not in good condition.

In March, the Government stepped up its campaign to encourage companies of all sizes across all sectors to improve their occupational road risk management (ORR).

The new Road Safety Act 2006, which has introduced offences of causing death by careless driving and causing death while driving unlicensed (disqualified or uninsured), threatens uninformed employers. More staff than ever now receive a cash option instead of a car and use their own car for work. Frequently, such private cars are not properly insured and may not be roadworthy.

The only defence against health and safety action is proof that every reasonable precaution was taken to prevent an incident.

Griffiths & Armour have launched our unique Driver Training and Assessment Facility which allows employers to ascertain the risk level of their drivers by way of an online assessment.

"The only defence against health and safety action is proof that every reasonable precaution was taken"

The key features of the Driver Training and Assessment system may be summarised as follows:

- Annual provision of safe driving information to every relevant employee.
- Generation of employee training records.
- Risk assessment undertaken of every driver on an annual basis.
- Availability of discounted one-to-one driver training services.
- Provision of Fleet Manager guidance and supporting document management system.
- Recognising the benefits it provides, many insurers agree to fund the service as part of Griffiths & Armour's motor fleet offering.

Greg Street

Managing Director
Griffiths & Armour Risk Management Ltd



Griffiths&Armour

Liverpool Insurance
Professional of the Year



Winner: Greg Street

Sponsored by: CBRE
Presented by: Peter Eustance, director of Liverpool office of CBRE (to Greg's left)

We are delighted to announce that Greg Street, Managing Director of Griffiths & Armour Risk Management Ltd, was chosen as the Liverpool Insurance Professional of the Year at a recent awards ceremony sponsored by *Insider* magazine and *Professional Liverpool*.

This is the second year running that the award was picked up by Griffiths & Armour and *Insider* comments:

"His award recognises and upholds Liverpool's prime position in the UK insurance market. Though not an insurance underwriter or broker, Street is heavily involved in his firm's impressive growth and leader of the risk management and claims divisions. He helps attract business into Liverpool from all over the UK and has been instrumental in developing the firm's risk management team."