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Have you been affected by the riots?



The recent rioting and disturbances are of great concern to us all and we would like to reassure our clients that we are monitoring the situation closely, and are ready to assist you through this difficult time. Please be confident that our first priority is always to ensure that our clients are safe and informed. Here are some basic risk control measures should there be any reoccurrences.



- The safety of employees and customers must be your priority. Make sure that you have suitable emergency plans that avoid persons being on or travelling to the premises during civil unrest.
- Have a robust emergency contact procedure including home and mobile phone numbers for staff. Make sure that you have this information available at all times – it is no good just keeping it at the premises! Keep this information secure and remember your Data Protection obligations.
- Keep up-to-date with developments using the internet, text news alerts and police information, responding to advice from the authorities as appropriate.
- If you do decide to temporarily close for business, try to give affected employees as much notice as possible so that they do not make unnecessary journeys putting themselves at risk. If you are sending staff home during a period of disorder, discuss with them what arrangements can be made to try to get them home safely.

Has your business been affected?

Insurers have failed to adopt a blanket policy on increasing their claims notification period following the government's decision to extend the notification deadline to 42 days under the Riot (Damages) Act.

For example, Zurich has increased its notification period for property insurance policyholders from 7 to 30 days, where a condition exists on policies for the reporting of riot claims. RSA however has chosen to increase the limit to 14 days while a spokeswoman for LV said it would be adopting a pragmatic approach and certainly would not

be enforcing the seven day deadline. Axa and Aviva have yet to make their stance clear. We always recommend that you report an incident as early as possible even if you have not yet compiled all the relevant information.

If you have been unfortunate enough to have been affected, please contact your Account Executive or Claims Manager as soon as possible. Alternatively, call our office on 020 8290 6900 and we will put you through to the appropriate person.

Rising Commodity Prices

Are your sums insured adequate?

Commodity prices are rising once more to record levels due to uncertainty over Libya, the other Arab Spring uprisings and growing demand from China and India. This rapid increase has insurance implications as in times of shortage and high prices, commodities such as these become more attractive to criminals who go to great lengths to acquire them.

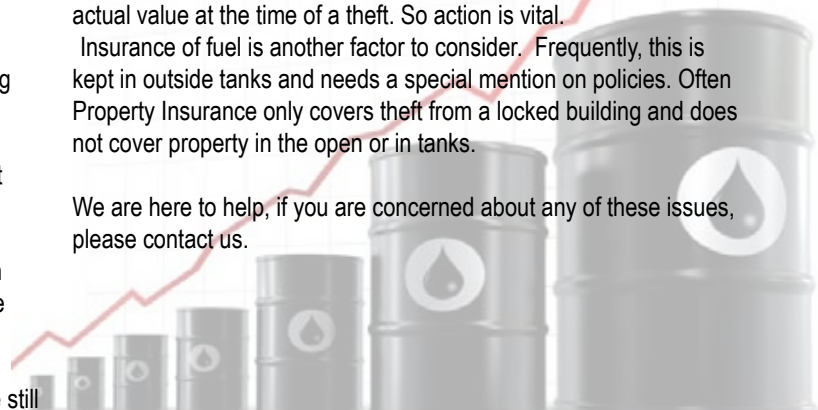
Businesses are well aware of these rising values as they impact heavily on costs and also make scrap metals from processes even more valuable. It is important to ensure your insurance programme keeps up to date with these rising values.

A number of property insurance covers have separate values for nonferrous metals and these need to be checked to see if they are still

adequate. Any increases may trigger a need for higher security and insurers may well decline a claim if the sums insured are below the actual value at the time of a theft. So action is vital.

Insurance of fuel is another factor to consider. Frequently, this is kept in outside tanks and needs a special mention on policies. Often Property Insurance only covers theft from a locked building and does not cover property in the open or in tanks.

We are here to help, if you are concerned about any of these issues, please contact us.



The €uro crisis and your business

The recent downgrading of Greece, Portugal and Ireland's credit ratings to 'Junk' status is of great concern. With Italy and Spain expected to join them, the IMF has warned that the earthquake from just one of these defaulting exceeds £400 billion in damage to the banking sector and that may be an underestimate.

Germany and France believed they had come up with a solution although this looks to be a temporary one due to markets reacting as though a default has already occurred.



The result could be far more serious than a simple double dip, a total submersion may be nearer the mark. If banks are put under even more pressure with no one to bail them out this time, cash could be in very short supply and corporate failure could increase markedly. We recommend that you consider credit insurance to guard against these risks.

Whether a loss is incurred through the insolvency of your customer or a default on payment, Credit Insurance can pay out between 80% and 100% of the invoice value insured. The premium is paid to cover a customer/buyer risk for an agreed period of time, up to a given value. NBJ have a specialist team of Credit Insurance brokers who can advise on the most appropriate types of cover for your business. For more information, contact your usual NBJ representative or call 020 8290 6900.

Insurer Referral Fees

The government has recently pledged to reform insurance referral fees, with Jack Straw MP, describing them as a "racket" and a "dirty little secret".



How does the referral system work?

It is essentially a way for law firms to market their services. A law firm agrees to pay a fee in

return for being passed the contact details of someone who may be in need of their services. These deals are usually between lawyers and insurance companies, but some estate agents and trade unions also refer their customers. The most aggressive referees are so called 'Claims Farmers' who try all sorts of methods to obtain leads, even sending text messages at random to private individuals.

Law firms often pay several hundred pounds when someone who has been referred to them goes on to engage their services. With referrals generating such generous fees it is unsurprising that an entire industry has grown out of the process.

Selling personal details without a customer's permission is in fact illegal under the Data

Protection Act. An insurer who wants to pass a client's details onto a law firm must say up front that they have such an arrangement in place, and give the client the chance to opt out.

Though the government have called for a total ban on referral fees, many individual insurers and indeed insurance brokers have come to rely on the fees as a useful source of revenue and are reluctant to lose it.

NBJ have never accepted referral fees. We have not and do not pass on our clients personal information to any third party organisations.

In the event that you require a lawyer following an accident NBJ can recommend a respectable firm to you at no charge.

The Bribery Act 2010

The Bribery Act 2010 came into force on 1st July, impacting the way companies do business and bringing in some of the toughest anti-corruption regulations in the world.

The new Act makes it an offence, punishable with up to ten years imprisonment and an unlimited fine, to fail to prevent bribery by anyone working on behalf of a business.

A company can however, avoid conviction if it can show it has adequate procedures in place to prevent bribery, which is why it is critical to ensure that your company has its house in order.

There are concerns amongst the business community that the new rules will be expensive and difficult to implement, and the Act's original introduction was delayed after widespread consultation with business leaders. Now however, Justice Secretary Kenneth Clarke says newly-published guidance on the legislation will help companies adapt to the rules.

The four offences under the Bribery Act 2010 are:

- Bribing another person
- Being bribed
- Bribery of foreign public officials
- Failure of commercial organisations to prevent bribery – a new "corporate" offence which applies both to UK companies in business at home and abroad and to foreign companies conducting business in the UK.

If you would like further guidance on conducting a proper risk assessment and how to establish a culture where bribery is unacceptable please contact your Account Executive who will work with our Risk Manager to assist you further.

Assessing pollution risk



Environmental damage and the resulting claim and clean up costs are becoming more prevalent and costly and businesses need to assess the risk both at their premises and any location where they may be working.

Environmental risks have three features:

- A source of pollution
- A pathway for it to travel
- A receptor (where the damage/harm is done).

Each of these needs to be considered separately in assessing the pollution risk from a particular event. For each source of pollution there can be several pathways and receptors.

A Five Step Assessment Procedure

1. Identify the hazards posed by the site
2. Identify the consequences of an incident
3. Identify the extent of the consequences
4. Estimate the probability of the consequences identified
5. Estimate the risk of pollution at the site.

Business continuity - Key employees

Businesses look to protect themselves against every eventuality, buying cover for their buildings, contents, materials and cars. However, many don't cover their single biggest asset – their employees.

Who are the key people?

A key person is someone whose death or disability would have a serious effect on a company's future profits. A business can have one or more employees who make a vital contribution to its profitability. The size of an individual's share holding won't necessarily indicate who is a key person. A person may be key to a business because they:

- have valuable sales contacts, which might be lost if they died
- are the founder and still the main driving force of the business
- are a controlling director who has personally guaranteed loans made to the company by a bank. The bank may

insist on life cover as a condition of the loan

- are heavily involved in the development of a new product because of their knowledge and expertise. Without their input, the product launch might not go ahead
- are at the top in their line of work and have been time-consuming and expensive to recruit. It might be difficult and expensive to recruit their replacement
- are a key sales person who contributes a significant amount to profit

Loan cover

If the business already has loan cover, the loss of a key individual could affect the ability of the business to pay back any loans. Financial institutions will often lend money to businesses based on one or two key people in that business. If something happens

Key Action Steps

- Review the activities, substances, quantities, and nature of processes on site.
- Ensure that all legal liabilities are met in terms of Authorisations, Licences, Permits and Consents
- Ensure that your broker is fully aware of the activities carried out by your business
- Develop and test emergency plans and review results

Assessment

Site management systems will greatly affect the risks posed by ensuring that adequate control systems are in place. When estimating the extent and consequences of an incident, the geography and surroundings of the site must also be carefully considered.

Risk assessors should consider the pollutant pathways as well as the nature and toxicity of the release.

Since pollutant pathways can be long, damage may occur at great distances from the site. Estimation of liabilities may require expert help and should consider at the very least the impact of pathways through air, surface water, groundwater and the soil. Pollution can travel through these media very quickly and easily. Site drains also provide a quick and easy pathway for pollutants to leave the site.

Factors which can have a profound effect on the damage which may be incurred include the proximity and density of population, land use, water abstraction points, sewage works, fish farms, and boreholes.

If your business is in a location where it can cause pollution, then it should carry out a full assessment. We can introduce someone who can help but above all let us know of any potential risk so we can advise on any insurance implications.

Financial Services

to either or both key people, the financial institution would probably want the loan to be repaid. It's becoming more common for financial institutions to ask for some form of protection to be in place to make sure any loans could be repaid.

Loss of profits

Many companies rely heavily on the expertise of one or two people in the company. They could be the founder and driving force behind the company or the sales director. If they died or became seriously ill, this could cause trading problems for the company and result in a financial loss.

If you need to implement a business continuity plan or perhaps wish to check that any existing arrangements are sufficient to meet your needs then please contact your usual NBJ representative who will introduce you to our sister company Barnett & Barnett Financial Services.

The 6th Annual NBJ Golf Day



Foxhills



The elements were sadly not in our favour as lightning and torrential rain buffeted the course for most of the day. The competition comprised of a main Stableford of around 60 clients and a taster day with the club professionals for any clients who felt they weren't quite ready for the main event just yet. Despite the severe disruption caused by the weather the day was hailed as one of the best yet—largely due to the tireless work of the Foxhills staff in keeping everyone loaded up with food and beverages as the day wore on.

Ted Kennedy of Pebble Hotels won the individual prize of a Fortnum and Mason hamper and hampers were also gratefully received by the top two teams in the team event.

Stop press: Do you have cover for your children whilst in student accommodation?

With study costs rocketing we want to ensure our clients incur as little additional expense as possible therefore cover for students' possessions when away at university can be covered under our Premier Home, High Value Home Insurance Policy.

We currently cover up to 20% of the contents sum insured for loss or damage to each child's contents whilst at boarding school, college, university or any other student accommodation, including transit there and back. In addition, we do not restrict theft cover to violent or forcible entry or exit, nor do we impose a Single Article Limit on individual items. We all know student life is hectic and unpredictable so in the event of loss or damage, you can rest assured that the right cover is in place. Should the sums insured for students' possessions exceed the generous limit above, please contact us.

Please note that cover is not provided for money or credit cards, or contents insured elsewhere. Should you wish to discuss this cover further please contact your Account Executive or our Private Clients team on 020 8290 6900.

Client Risk Management Training Programme

We are now offering a Risk Management Training programme to our clients and contacts, the next course, An introduction to Health and Safety is to be held at our Isleworth office on Tuesday 11th October.

The course is aimed at all persons with a responsibility for Health and Safety implementation and review in their organisation or those seeking to refresh their knowledge of the subject.

Our risk management programme is offered free of charge to our clients, if you would like to attend, please contact Sandra Read on 020 8568 1041.

NBJ Sponsors TFL Race Team

The NBJ sponsored TFL Speed Euro Series racing team, former Ferrari Champions and Caterham racers Mike



Cantillon and Jamie Constable managed a very creditable 11th out of 22 in the first race of the series at Spa. The next set of races are at Donnington, Silverston, Imola and Estoril.

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