

MARSH INSIGHTS:

OUTLOOK: PERSPECTIVES ON TOPICAL RISK AND INSURANCE ISSUES FOR UK CORPORATES

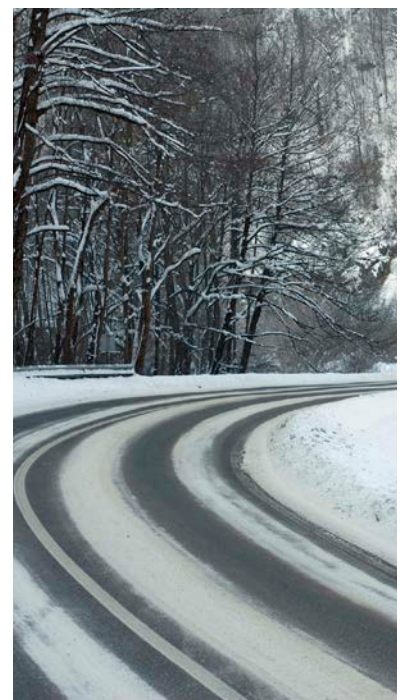
HOW FAST A WINTER WONDERLAND CAN CHANGE LIVES

Adverse weather and longer periods of darkness can make driving in winter more hazardous than at other times of year. If you have employees who drive on business for you, we recommend you give them suitable guidance on the risks and how to reduce them. This can help you to meet your obligations to protect employees from injury and also reduce the risk of accidents, insurance claims, and the resultant adverse impact on your insurance premium, your customer service/delivery, and your safety reputation!

We recommend you issue a note to your drivers, alerting them to the potential dangers, reminding them to leave sufficient breaking distance from the car in front, and be on the lookout for pedestrians, especially children, who may unexpectedly step into the road.

KEY ACTIONS FOR DRIVERS — BE PREPARED — IT COULD HAPPEN TO YOU

- Keep up to date with road conditions, accidents, and road closures. Follow guidance in the media, and only set out if your journey is absolutely necessary.
- Check tyre, battery, and wiper blade condition.
- Make sure the lights are fully functioning, and double check oil and fuel levels before setting off.
- If you must travel, make sure you have certain items in the vehicle, for example, a shovel, de-icer, warm clothing and blankets, food, a flask of hot drink, and a fully-charged mobile phone.
- Check anti-freeze levels, and carry a de-icer in case the locks freeze.
- Adapt your driving style to the conditions.
- Be smooth and gentle with steering and brakes, and allow much longer breaking distances than you would normally.
- If you do have an accident and the vehicle is immobilised, use hazard warning lights to alert other motorists.
- For cars that are not being used that often, ensure you regularly turn the engine over, and keep the engine running so that the battery is energised.
- Have your breakdown telephone helpline number and mobile phone with you and your insurance claims contact numbers and policy details.



In this edition:

- Driving in winter.
- Ebola — risk and insurance information.
- Risk of electricity blackouts — keeping your business safe.
- Managing disease claims.
- Household insurance — benchmarking premiums.

HOW FAST A WINTER WONDERLAND CAN CHANGE LIVES (CONTINUED)

KEEP YOUR CAR KEYS SAFE

Winter can provide an opportunity for vehicle thieves — cars left on driveways with engines running and keys in the ignition, to warm up in the morning. It is all too easy for a thief to enter the vehicle and drive away. Do not leave vehicles unattended, which have engines running and keys in the ignition.

On a related matter, we have had several claims reported for vehicle thefts, where the thieves have broken into the driver's house, stolen car keys, and then made off with the vehicle from the driveway. It's probably human nature to leave keys, wallet, phone etc. on the nearest table when entering the home, but these incidents act as a reminder of a simple risk management action — remind all drivers to store their car keys out of sight and away from the front door. Consider a slam lock/locking door. How easy is it for someone to walk in and take your keys? It could be you!

EBOLA — INSURANCE AND RISK MANAGEMENT CONSIDERATIONS FOR BUSINESSES

As concerns about the outbreak of Ebola and the potential for a wider spread of the disease increases, Marsh has put together guidance to help you understand and manage the UK insurance position and the risk management implications.

The document covers the general UK insurance position regarding business travel, employers liability, public liability, and business interruption insurance, together with some recommended risk management actions.

The information provided in this document is general guidance. Please contact your usual Marsh representative to discuss your specific insurance policy wordings and cover.

You can keep up to date on Ebola by visiting the [Ebola Resource Centre](#) on the Marsh USA website. (This content is generated in the USA and may not be relevant to all UK insurance covers and claims protocols. Some of the products and services profiled may not be available in the UK.)



KEEPING YOUR BUSINESS SAFE FROM THE RISK OF ELECTRICITY BLACKOUTS

This coming winter could well be a challenging time for companies in the UK. The forthcoming months could expose businesses to the threat of electricity blackouts, irrespective of their scale or location. Official National Grid estimates suggest that with reduced capacity and a one in 20 year cold winter, the grid could fail to meet its "basic reserve requirement".

However, contingency plans based upon securing additional generating capacity and an option for planned industrial shutdowns is designed at avoiding blackouts. This type of planning is reflective of similar plans being effected in other European countries this winter notably Belgium.

Supply chain disruptions remain nevertheless unpredictable. Whether due to an electricity blackout, a range of utilities interruptions, or weather events, non-damage business interruption can negatively impact your balance sheet and reputation.

Is your business protected against such unexpected events?

Marsh's business interruption specialists can help you mitigate risks associated with supply chain disruptions, including electricity blackouts, by:

- Determining your exposure and developing adequate risk management strategies.
- Providing insurance solutions tailored to your business and to specific situations.

Please contact us for further information.

ARE YOU AT RISK FROM DISEASE CLAIMS?

Many businesses are at risk of “long-tail” disease claims – employers liability claims that relate to exposures and incidents that happened many years ago but where symptoms are only just coming to light. Examples are noise-induced hearing loss, vibration, or asbestos-related conditions (including mesothelioma).

The financial risk of such claims can cause significant uncertainty to some businesses, especially if they cannot trace which insurer provided cover at the time of the exposure. It can mean they are required to pay these claims themselves, which can have a significant impact on their profits.

There is a concern that some litigation solicitors are actively canvassing for business. A floodgate scenario can quickly develop, whereby lawyers, having made one successful claim, actively target current and former employees of particular companies to generate more claims.

HOW MUCH DO THESE CLAIMS COST AND HOW OFTEN DO THEY OCCUR?

Statistics issued by the Health and Safety Executive (HSE) in October 2014 show there are around 5,000 deaths in total per year from work-related asbestos diseases, and the numbers are still increasing. (Source: <http://www.hse.gov.uk/statistics/at-a-glance.pdf>.) Mesothelioma claims now average GBP175,000 and regularly exceed GBP250,000.

On the other hand, noise-induced hearing loss claims are relatively low value; however, their volume has increased substantially with more than 55,000 newly notified claims in 2013, at a cost exceeding GBP70 million. (Source: Institute of Actuaries.)

HOW DIFFICULT IS IT TO HANDLE THESE CLAIMS?

Disease claims often require specialist handling due to their complexities. In general, disease claims are allocated across the entire period of negligent exposure to the hazard, meaning that insurance history often has to be traced back several decades and then individual claims notifications have to be submitted and followed up with each individual insurer. If insurers have become insolvent, claims also need to be lodged with the Financial Services Compensation Scheme.

HOW MARSH CAN HELP YOU

Marsh can provide a solution to the handling of all disease claims. The service, which can be tailored to your needs, can assist both the handling of claims and the tracing of past insurance history. This can encompass:

- Offering specialist advice.
- Engaging with insurers and the claimant’s solicitors.
- Researching company history.
- Tracing historic insurers.

Please contact us for further information.



HOUSEHOLD INSURANCE — BENCHMARKING PREMIUMS

On 5 November, the Association of British Insurers (ABI) launched its average household insurance premium tracker. This tracker complements the average motor insurance premium tracker released by the ABI in January and will show what consumers are actually paying on average for their household insurance.

According to the tracker, the price of home insurance has remained stable over the last year, despite rises in some average claim costs.

The tracker shows what customers are paying for their household buildings and contents insurance, and how this changes each quarter. It is based on data from ABI members and covers 90% of the home insurance market.

Contact Marsh Private Clients via your clients team if you would like a benchmark undertaken.



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