

## **SMALL BUSINESSES URGED TO KEEP COVER IN PLACE DURING THE TOUGH TIMES**

Directors and Officers specialist Angel Underwriting is warning business owners and directors not to give into temptation and make cuts where their business insurance is concerned.

Most of us realise that cutting costs in the current economic climate is a necessity for many businesses, but Angel says businesses should not be tempted into reducing or even lapsing their professional insurances such as Professional Indemnity and Directors and Officers Insurance during tougher economic times.

And its not just the impact of the current economic climate businesses should be wary of. Directors take note - the conveyor belt of government legislation continues unabated. The new Health and Safety Act 2008, which came into force on January 16 brings tougher penalties for directors found guilty of breaching Health and Safety Law, including imprisonment and higher fines.

In fact far from cutting back, Angel says company directors should be double-checking that they have adequate and appropriate cover in place.

“Many businesses in the UK are under immense pressure at the moment and it is prudent for them to make savings where they can, but the level of insurance cover for it and its directors is the very last place they should be looking to make cutbacks,” said Angel CEO Mark Shreeve.

“Rather than diminishing, the risk of a business facing a claim or litigation in a recession actually increases, so we are urging our brokers to drive this message home to their clients. Insurance premiums can be fixed whereas the cost of defending a claim or even litigation can be costly and is of course unquantifiable, potentially putting the business and its directors at risk,” he added.

According to research by corporate restructuring specialist Begbies Traynor, the number of distressed British businesses was almost 500 per cent higher in the third quarter of 2008 compared with the same period 12 months earlier, with 4,566 companies facing critical problems compared with 791 in the third quarter of 2007. This is backed up by the latest national Labour Force Survey, which shows that unemployment has now risen to over 2 million and is still climbing.

“Business bankruptcies are expected to spike sharply in 2009 - it is anticipated that there could be as many as 38,000 in the UK this year alone – and as a result there is likely to be an upturn in claims against the bankrupt companies’ directors and officers, by creditors and shareholders who will be looking to recoup some of their losses,” said Mark.

“And with more companies being forced to lay people off in a bid to survive the recession, it is inevitable that employment claims will start to rise accordingly,” said Mark.

There are also internal pressures that can manifest themselves more readily during a recession, with the Law Society claiming that disputes taking place between business partners and company shareholders arguing over the direction that a business should take in tough times, are on the increase.

But it's not just about D&O and Employment Practices cover. In the current economic climate the increased need for PI also needs to be strongly reinforced to small business owners. With clients looking far more closely at their suppliers and the work they do, there is a much greater appetite for businesses to claim they have received an unsatisfactory level of service and either seek to recoup costs incurred or simply not pay for them.

There are also the hidden risks that need to be considered. Whilst business owners will be only too aware of the issues they face under their own roof during tough economic times, they may not be aware of those being experienced by their suppliers or even customers. Should a key supplier or customer run into difficulty, businesses must be alive to the fact that through no fault of their own they may also become involved.

Mark says "These type of commercial disputes are very much on the increase, with more and more solicitors working on a 'no win no fee' basis, even the most marginal cases are being taken on."

"In a market where the likelihood of facing legal action is increasing, actually reducing cover is effectively playing the business equivalent of Russian roulette," he added.

For many businesses in the UK, D&O and Employment Practices Insurance remain affordable, flexible and essential cover for company directors. Mr Shreeve's message to brokers is simple - make sure your commercial clients have these policies in place to help guard against the growing threat of litigation.

For more information on Angel Underwriting and its range of products visit [www.angelunderwriting.com](http://www.angelunderwriting.com) or call 01206 215500.

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## **NEW BOOK DELIVERS REAL BENEFITS FOR ANGEL POLICYHOLDERS**

At Angel Underwriting we are constantly looking to improve the levels of support we can bring our brokers and in turn, their customers. In taking this approach we have updated and refreshed our portfolio of Risk Management publications enabling brokers to provide their commercial customers with an essential business guide, supplied free of charge with every new Angel Director's Insurance Policy.

The Money-saving Checklists for Business book, which replaces the original Company Directors Manual is the latest addition to our portfolio. It is filled with ready to use legal, financial and tax information, and provides essential tips and advice for anyone running a business in today's challenging economy.

Covering everything from establishing a company to profit extraction methods, the checklists show - in layman's terms - exactly what business owners have to do to get their businesses running as profitably as possible whilst staying on the right side of the law.

This latest addition to the extremely popular Risk Management portfolio continues our approach to adding value to the Angel Directors policy, complimenting our existing range of risk management benefits on our other products including:

- A free 12 month subscription to the Tips and Advice Company Director newsletter
- A free 12 month subscription to the Tips and Advice Personnel newsletter and 3 months free access to the personnel website for clients purchasing the Employment Practices option as part of their D&O policy
- Access to a free legal helpline providing general legal advice on corporate or commercial issues

"The Risk Management Service which we launched has been very successful and is something our brokers see as adding value to the service they provide their clients. We are always looking to develop and enhance this wherever possible and the new Money Saving Checklists Book is a valuable addition to our service," said Angel's Business Development Director Gary Green.

If you would like to discuss how our Risk Management Service can help you and your customers then simply call Angel Underwriting on 01206 215500 or email Gary at [gg@angelunderwriting.com](mailto:gg@angelunderwriting.com).

April 2009

## DIRECT DEBIT PAYMENT SCHEME DELIVERS ENHANCED SERVICE

We are delighted to announce that Angel Underwriting is launching an interest free Direct Debit payment scheme across our entire range of directors and officers and professional Indemnity policies.

Going Live on May 1, the new interest free Direct Debit service is being launched in response to the feedback we receive from our network of brokers and is intended to make it even simpler for your customers to buy any of our class leading directors and officers and professional indemnity policies.

This latest initiative complements perfectly our unique online broker portal and QuickQuote system and will hopefully make life even easier for our agents by removing the burden of collecting premiums and also assist businesses in today's challenging economy, by spreading their premium payments over equal monthly instalments.

The creation of the interest-free Direct Debit payment scheme is a major and very exciting development at Angel Underwriting, and one that we are delighted to announce.

To find out how you can deliver the Direct Debit Payment Scheme to your clients contact us on 01206 215500 or email [gg@angelunderwriting.com](mailto:gg@angelunderwriting.com).

April, 2009



With our new interest free Direct Debit payment scheme now available across a wide range of our Director and Officers and Professional Indemnity policies, providing your clients with peace of mind cover has never been so easy.

The new Direct Debit Scheme means Angel Policyholders can now pay their premium in ten monthly instalments. And because its administered in house, there's no need to deal with any financing or third party providers - we will handle everything directly with you.

For more information on Angel's Directors and Officers and Professional Indemnity products go to:

**Web:** [angelunderwriting.com](http://angelunderwriting.com) • **Tel:** 01206 215500

Terms and conditions apply, not available at all times.

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## **CPS brings first corporate manslaughter charge**

The Crown Prosecution Service (CPS) has announced it is bringing the first ever charge under the Corporate Manslaughter and Corporate Homicide Act 2007.

On 23 April, the CPS authorised a charge of corporate manslaughter against Gloucestershire-based Cotswold Geotechnical Holdings over the death of 27-year-old employee Alexander Wright.

Wright, a junior geologist, was killed in September 2008 when the sides of the pit in which he'd been collecting soil samples collapsed and crushed him. The pit had been excavated as part of a survey at a site in Stroud.

As well as corporate manslaughter, Cotswold Geotechnical Holdings has been charged with breaching Section 33 of the Health and Safety at Work Act (HSW Act).

Company director Peter Eaton has been charged with gross negligence manslaughter and with breaching Section 37 of the Health and Safety at Work Act, which states that where a company's offence is committed with the consent, or due to the connivance or neglect, of a director, the director will also be guilty of that offence.

Eaton will appear before Stroud magistrates on 17 June to face charges as an individual and on the company's behalf.

Kate Leonard, reviewing lawyer at the CPS Special Crime Division, said: "Under the Corporate Manslaughter and Corporate Homicide Act 2007 an organisation is guilty of corporate manslaughter if the way in which its activities are managed or organised causes a death and amounts to a gross breach of a duty of care to the person who died.

"A substantial part of the breach must have been in the way activities were organised by senior management. I have concluded that there is sufficient evidence for a realistic prospect of conviction for this offence."

According to Angel Underwriting CEO Mark Shreeve, this first prosecution under the new Corporate Manslaughter Act, whilst inevitable, highlights the growing legislative pressure that companies and their directors find themselves under, which should serve to emphasise the need to ensure that these exposures are fully protected.

"This is the first of what is likely to be many prosecutions that will be brought under the new Corporate Manslaughter and Corporate Homicide Act. Never have companies and their directors been under the legislative spotlight as much as they are today, and for small business owners, simply complying with the changing legislation, whilst trying to run a business through what are extremely challenging times is a very difficult task and can lead to unnecessary and unwitting exposure.

"Not only does our directors and officers policy provide extremely comprehensive protection but our legal advice line and unique Risk Management Service, through the free fortnightly Indicator® newsletters, bring real added value to our policyholders," said Mark.

The penalty for a conviction for corporate manslaughter is an unlimited fine for the organisation, while a conviction for gross negligence manslaughter carries a maximum sentence of life imprisonment for the individual charged.

April 2009

## **BIBA 2009 PROMISES TO BE BUSY FOR ANGEL UNDERWRITING**

BIBA 2009 should be an extremely busy one for Angel Underwriting, as we will be promoting the latest additions to our range of Professional Indemnity products and unveiling our interest free Direct Debit payment scheme.

The new PI product named *“just the right policy”* caters for businesses operating in over 150 different industry sectors from bookkeepers to wedding planners, and safety consultants to funeral directors. Similar to Angel’s D&O offerings the new PI products have been designed specially for small to medium sized businesses, delivering broad coverage with class leading premiums and commissions.

According to Angel CEO Mark Shreeve, in addition to the new PI products the launch of the interest-free Direct Debit payment scheme is a major development for the company

“Having now established ourselves as a specialist in small business D&O, the launch of the *“just the right policy”* PI range and the new Direct Debit payment scheme offers new services and major benefits to our brokers and policyholders alike. This is borne out by the growing network of UK brokers who are now working with us to protect their commercial clients, and we are absolutely delighted to be able to introduce these new developments at BIBA, our industry’s premier event,” said Angel Underwriting CEO Mark Shreeve.

“Any broker visiting the Angel stand - C9 - will be able to see for themselves the growing range of specialist products and support packages which we are now able to offer them and their clients,” added Mark.

For more information on the new range of insurance products and on line broker portal visit [www.angelunderwriting.com](http://www.angelunderwriting.com) or call 01206 215500.

April 2009

## RESIDENTS ASSOCIATION PRODUCT PROVING A GREAT SUCCESS!

Angel Underwriting are heralding as a success its recently launched Directors and Officers product specifically designed for Residents Associations, Residents Committees, residential property owners and residential property management companies.

Available now through Angel Underwriting's online QuickQuote system, the new Residents Association product has been designed to provide cover that is tailored to the specific needs of the client, regardless of whether they are incorporated, unincorporated, or limited by guarantee.

Cover automatically includes Fidelity\* and Loss of Documents\* and can be extended to cover the organisation itself including Professional Indemnity\* and where full time employees are present it can also cover Employment Practices.

"Listening to broker feedback and having the flexibility to react to it quickly is one of the things we have found to be of great benefit and this new product and indeed its success clearly demonstrates this," said Angel Underwriting's Business Development Director Gary Green.

As with all Angel's online products premium quotations are generated quickly and simply through Angel's QuickQuote system and are now based on the number of properties or units (as well as offering terms based on turnover if required).

### Pricing examples

<u>Type of Client</u>	<u>Number of Properties</u>	<u>Policy Limit</u>	<u>Premium inc IPT</u>
Residents Committee Unincorporated	15	£100,000	£114.29
Residential Property Management	80	£500,000	£225.00
Residents Association Incorporated	200	£1m	£275.00
Residential Property Owner	350	£2m	£350.00

Brokers are being encouraged to see how simple the system is by visiting the Angel Underwriting web site [www.angelunderwriting.com](http://www.angelunderwriting.com) where they can use the QuickQuote system to obtain instant quotes.

"We have been absolutely delighted with the launch of the Residents Association D&O product which really seems to have found favour with brokers both in terms of the simplicity and efficiency of being able to quote but also in terms of the level of cover available at our very competitive rates," added Gary

If you require an application form go to [www.angelunderwriting.com](http://www.angelunderwriting.com), click on the resource centre and follow the links to the section for Charities, Clubs and Associations.

For more information call 01206 215500.

\*Only available for companies registered at Companies House as Limited by Guarantee or clients that are unincorporated.