



# As your business evolves, so should your insurances



## Introduction to Consort

Our ability to identify specific insurance needs, unique methodologies and strategic placement approach help to ensure that your insurance programme will be perfectly aligned to your business needs. We offer a highly personal service where accuracy and accountability are at the heart of everything we do. Consort are a fully licensed general insurance broker capable of arranging placement for your entire commercial insurance programme including but not limited to: Professional Indemnity, Contractors Combined, Performance Bonds and Motor Fleet.

## Partnership Approach

Our partnership approach to account management ensures that your insurances remain relevant and effective in relation to your business activities and evolving contractual obligations. We work with our clients to ensure that appropriate cover is consistently achieved but also carefully monitored and maintained, because as your business evolves, so should your insurances.

# Protection and Detection (PaD) Insurance Programme by Consort

A business insurance programme designed to help companies manage their exposure and liabilities in relation to fire risk.

Over the past few years, insurers' ability to provide cover within the fire industry has been extremely limited, and although there are now options developing, accessing these in a way that will protect cover integrity is a highly technical process and one that requires significant industry knowledge, and a deep understanding of insurers' appetite. Whilst cover reductions and premium escalations within some disciplines are understandable, for many organisations operating within this space, the relationship between the fire industry's problems and the insurers' reactions are neither obvious nor reasonable. As the 'Trusted Insurance Advisor' to the Fire Industry Association (FIA) and the Association for Specialist Fire Protection (ASFP), Consort have been working hard to create an informed and robust insurance solution to address this imbalance.

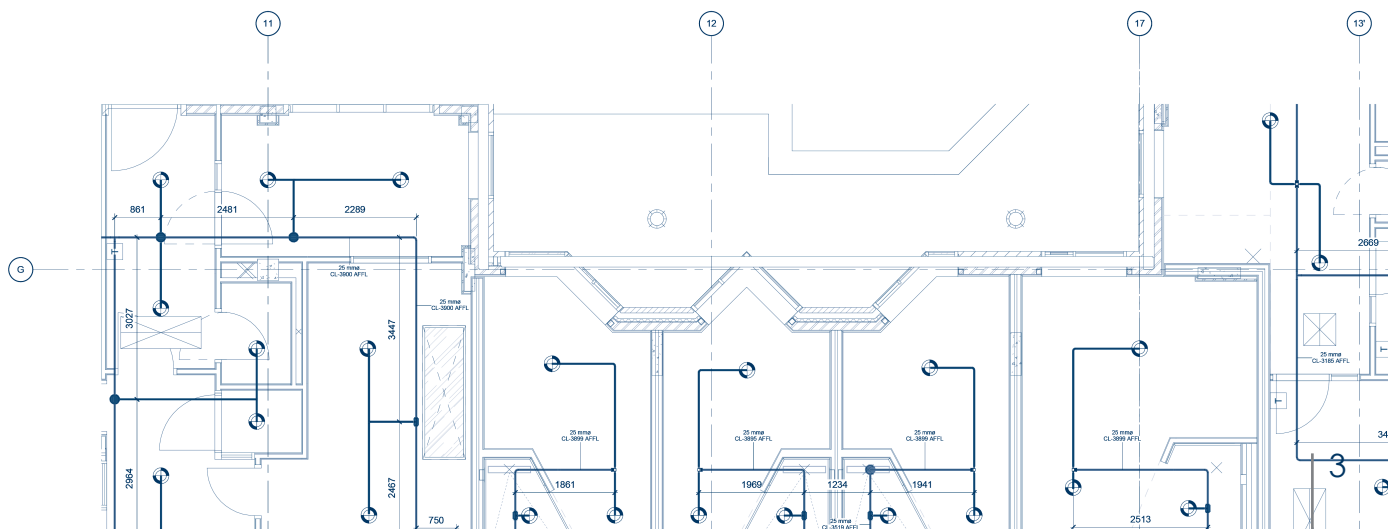
Consort have carried out extensive works with A-rated insurers to develop a unique insurance programme reserved for 'Best of Sector' organisations whose services fall within the fire industry. We refer to our unique insurance programme as PaD (Protection and Detection). PaD is not an open market solution and therefore other alternative insurance intermediaries do not have access to Consort's exclusive A-rated insurer capacity and/or wordings. There are of course certain policy types, such as Professional Indemnity, that have been extremely distressed, and it is for these covers that we have been extremely active in creating tangible solutions, both from a cover and premium perspective.

Our PaD solution extends to businesses operating outside the fire industry, with significant benefits being realised by businesses operating within construction, consulting, environmental, professional services and manufacturing.

## Market trends in a distressed industry

We have seen several trends that will ultimately negatively impact the policy holder. A common example within the Professional Indemnity market is that cover basis has been transferred from Any One Claim (AOC) to Aggregated by almost all capable cover providers. The implications of this can be catastrophic, especially if retrospective exposures to contractual obligations are not robustly considered.

Premium rating will of course depend on the makeup of each individual company, taking into consideration trading activities, claims experience, management, financial health and so on. Consort have the experience, capability and relationships to achieve coverage that is far from the norm, and this is proving to be an extremely efficient way for companies to access coverage.





## Establishing and maintaining a reciprocal relationship with your insurance partners

Continuity with appropriate insurer partners is crucial; however, proactive behaviour with your chosen intermediary is also vital to protect the long-term integrity of your insurance programme.

We know how to be both proactive in our preparation methods and effective in relation to ongoing advice and have well-established trusted insurer relationships that are both proactive and reactive to ever-present market challenges.

From point of first engagement, we work intrinsically with you to effectively present your business to market. This helps to allow access to the most comprehensive and competitive capacity.

We then continue to work with our clients to ensure their programme remains aligned and supportive of business activities and evolving contractual obligations, to ensure it always remains fit for purpose.

**Proactive behaviour will help to protect the long-term integrity of your insurance programme**

# Access the most comprehensive and competitive capacity

Positioning your business to establish a reciprocal long-term relationship with your insurance partners is vital, and key to this success is the initial approach within the marketplace.

Before typical risk information is shared, the most comprehensive and competitive capacity will always be accessed by those who are able to evidence an engaged management team, highlight their governance capabilities, and prove their financial resilience. It therefore makes perfect sense that the first hurdle to negotiate is to ensure that certain underwriters feel completely comfortable at a business level to allow access to their capacity. Once this has been achieved, it stands to reason that the applicable underwriters are then far more likely to accommodate cover requests.

An engaged management team, the development of a strong financial story, and proof of 'Best of Sector' status, along with a carefully crafted placement strategy can make all the difference in accessing the best, most capable capacity in the market.

Beyond this, being able to clearly describe what will and will not be required during the course of an insurable period will not only create a position where the most cover efficient and cost-effective position is achieved, it will also provide the applicable underwriters with reassurance that they are dealing with an informed and engaged client.

Consort's ability to evolve and present a company's financial resilience and governance story sets us apart from other intermediaries, and below is a typical set of objectives we look to develop in relation to a client's insurance programme, all of which are in addition to typically collected risk information.



# Judge contractual obligation against insurable position

The importance of ensuring that your insurance programme is not only aligned to your business activities but also to your contractual obligations is imperative when developing a robust insurance programme.

Insurers will rarely give a legal opinion on contractual obligations, therefore creating a policy prior to inception that is capable of complying with all reasonable standard requirements and plausible variations is by far the preference.

It should be recognised that contractual variations also need to be carefully considered, and we will always positively encourage the engagement of legal professionals when renewing terms and establishing new contracts; we also have access to such resources as required.

Should your insurance programme include any form of long-term agreement, we believe consideration must be given to the fact that this will only provide protection within the parameters of the agreement and can create complacency if not regularly reviewed alongside business activities and contractual obligations.

## Legacy declaration

In respect of Professional Indemnity, providing detailed descriptions of works legacy has always been a requirement due to the Claims Made cover basis. However, this is now a subject which is being considered to have a far greater relevance across all aspects of an insurance programme, irrespective of the basis of cover.

This means insurers require a deeper understanding of how a business has maintained and/or grown their client base, developed completed works and, crucially, how technical expertise and managerial procedures have matured over time. For example, insurers are extremely interested in how their client and/or potential clients' working mix has changed or developed during the last trading decade versus how technical expertise and managerial procedures have evolved.

Ultimately, our work helps insurers to recognise that the best clients will always continue to adopt practices in line with their own clients' demands, ever-changing legislation and product development.



# CPD

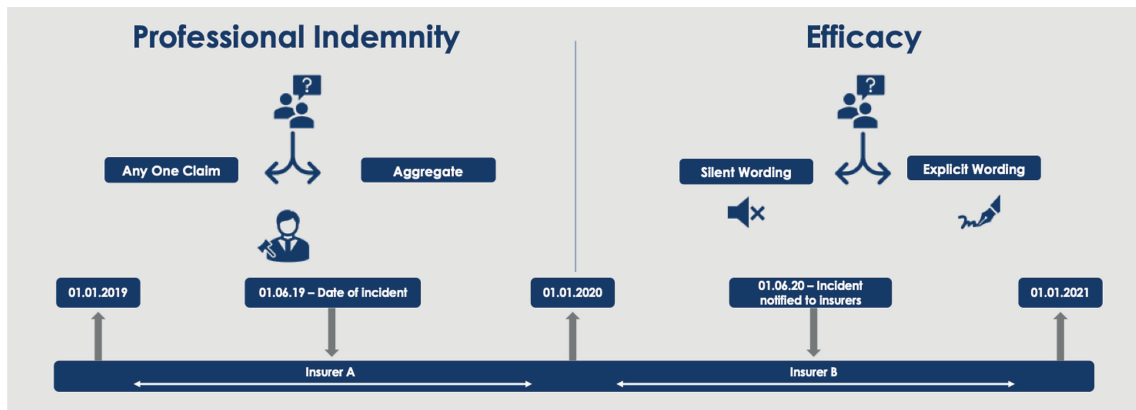
CPD courses developed in association with ASFP and FIA.

One of our CPD presentations that has been presented to various fire industry bodies is entitled *The Implications of Professional Indemnity and Efficacy Insurance on your Business*.

This CPD covers the longstanding issue surrounding where Efficacy cover stops and where Professional Indemnity cover begins. It explains the differences between covers and how they can respond for your defence and why having both is so important.

This is often a topic that has been misunderstood or been given mixed messages from brokers to clients, and the effect can be as serious as affecting a business's ability to trade if they suffer an uninsured loss which in any event could have been insurable.

## The Implications of Professional Indemnity and Efficacy Insurance on your Business



### Professional Indemnity The cover

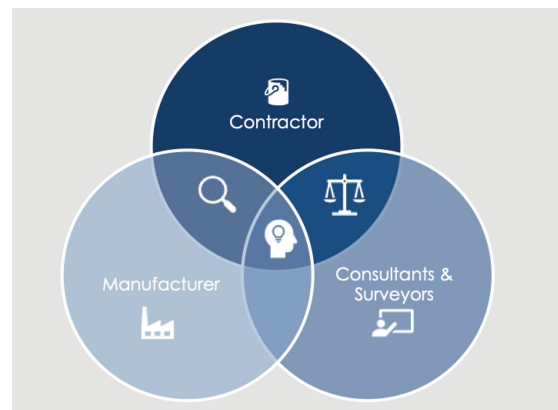
**Actions that activate cover:**

- 1 Errors in testing
- 2 Breach of contract
- 3 Wrong product specification

**What insurers will pay:**

- 1 Economic loss of third parties
- 2 Legal costs

Considerations for contractual liability



**Consort are unlike any intermediary you will have worked with previously, and we would welcome the opportunity to support you with your insurance programme to ensure that it is fit for purpose. We would be happy to come to your offices or to meet with you at one of the fire industry's key events. Therefore, feel free to get in touch for a no-obligation conversation.**

Trusted insurance advisor to

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