

Covered

Issue 3



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TL Dallas
INSURANCE SINCE 1919

tldallas.com

Welcome to the latest edition of Covered



It has been a busy couple of months here at TL Dallas: as well as getting to grips with a new IT system we have been working on our 'People Strategy'. As a service business our People are our greatest asset and if they are happy and fulfilled then they will serve you, our clients, better! To quote Richard Branson:

“If you look after your staff, they’ll look after your customers. It’s that simple.”

I am therefore delighted to introduce members of our team within our latest Newsletter; you can meet the whole Credit Insurance Team, as well as our Due Diligence Team. Tim Mackenzie, based in our Edinburgh office has written an interesting article on Directors & Officers Insurance. This insurance is one of a suite of Management Liability policies that all Directors

and/or Trustees should consider taking out, particularly in light of high profile harassment cases that are emerging daily in the media. Many policies include some form of crisis and/or reputation management as an additional service.

As ever, please get in touch with me or a member of the team should you wish to discuss any aspect of your Insurance or Risk Management.

Polly Staveley
Managing Director

polly.staveley@tldallas.com

Directors & Officers Insurance: A Business Necessity



There has never been a more important time to make sure that those senior individuals, either running or representing their organisation, are fully protected against claims made against them for the mismanagement of an organisation.

Whilst it may well be a very satisfying moment for new Directors or Trustees to join the Board, they are also obliged to accept new and potentially onerous responsibilities. If a Director (or trustee) is believed to have breached their responsibilities or duties by any one of a number of internal or external stakeholders, it can have significant consequences. The judicial system is easily accessible and even if an action doesn't reach the courthouse, Directors can find themselves seriously out of pocket.

Those with responsibility can find their personal assets at risk - including their own home or savings - but there can also be severe reputational damage. Given the new legislation around General Data Protection Regulations (due in 2018), responsibilities will continue to increase. Directors need to remember that if they are fined or have costs awarded against them, they cannot recharge this to the business and it becomes a personal liability.

Directors and Officers (D&O) policies have been around for many years and the number of organisations that purchase cover has increased significantly over the last few years. However, not all organisations purchase cover and continue to ignore the potential risks. Given that the cost of D&O has dropped significantly over the last few years, it is harder to justify to a Board why cover hasn't been purchased.

Employment claims are on the increase, particularly with employment legislation becoming more complex and changes to the rules around employment tribunal costs. Alongside this, breaches of Health & Safety legislation can also have serious repercussions on a

Potential claims against Directors can come from a number of areas under the general heading of “mismanagement of the business”.

Director who may just be acting on third party advice, despite their ultimate responsibility. Regulatory investigations are also becoming more common and with the impending introduction of the General Data Protection Regulation in 2018, Directors need to be absolutely certain they are protected by a robust D&O policy with a dependable insurer.

D&O insurance is designed to protect Senior Executives (or those acting in that role), from the financial implications of a legal action against them, whilst they are carrying out their duties as a Director or Officer of the business. The policy will pay for the costs of defending a claim up to and including any court action and also any compensation that is awarded.

While the core insurance cover is the same amongst insurers, not all policies are equal and the devil is in the detail. It is vitally important to check endorsements and exclusions to ensure you are properly covered.

D&O cover is here to stay and will provide comprehensive protection to allow Directors to carry out their daily tasks and responsibilities without the fear of personal financial disaster.

To discuss further please contact Tim Mackenzie on 0131 322 2632 or email tim.mackenzie@tldallas.com.



Secure Your Credit Risk

During these uncertain economic times, insuring a company's credit risk has never been more important. Whilst the unstable currency and Brexit is producing economic challenges, it can create opportunities for UK exporters too.

If we take a quick recap of the last 18 months, it's fair to say it has been an interesting year politically with the EU referendum, UK general election and Brexit. With Brexit negotiations under way, many businesses worry how this will impact them and credit insurers are also not sure at this stage what the true impact of Brexit will be on the wider economy.

Leading provider of trade related credit, Euler Hermes, has researched the potential outcome of these negotiations and what this could, in turn, mean for UK firms. Euler Hermes found three possibilities:

1. There is a 25% chance of an extensive free trade agreement. It is thought this would have a limited impact on the economy and sterling would likely appreciate.
2. The probability of a limited free trade agreement is thought to be approximately 55%. This may not be too detrimental for UK firms and UK exporters of goods, as tariffs would be low - perhaps only 1-3%.
3. Exporters of services could be higher and currency would be devalued by around 5-7%.

There is a concern the last scenario may cause the economy to slow down and insolvencies

would start to increase.

The research also suggests there is a 20% chance of no agreement. This would see currency depreciation of 20% with inflation increasing and a full scale recession by 2019.

Whilst there is a great deal of uncertainty on the horizon, from change comes opportunity and firms may now start exporting or looking at different markets to do business.

TL Dallas is committed to supporting their clients through the various business challenges they face as they journey through the changing economic environment.

Investing in Credit Insurance provides protection for businesses against the non-payment of a trade debt and provides greater insight into customers' financial health. As one of the leading independent Credit Insurance brokers in the UK we have the knowledge and market leverage to offer specialist advice and guidance to our clients.

For impartial specialist advice, or to discuss the right solution for your business, please contact our Credit Insurance team on either 01324 717466 (Falkirk) or 01274 465522 (Bradford).

Client Testimonial

"I had worked with Sarah Aldridge before when she looked after our previous credit insurance policies. She had originally been recommended by a customer who had been well looked after by her. We stopped insuring our debts for a time but knew the value in looking at this again given the current economic climate. We worked closely with Sarah and put a policy in place to protect our business against bad debt, protecting our balance sheet, working capital and profits in 2017. When one of our clients went bust being with a pro-active broker made all the difference. TL Dallas made sure we got money back into the business quickly, protecting the future of our business both from a cash flow and balance sheet point of view. Without credit insurance in place a bad debt of the size generated by our client's collapse could have had a seriously detrimental impact on the business. I couldn't recommend the services of Sarah Aldridge and TL Dallas' credit insurance team more highly."

Giles Drew, North Allerton Auctions

Meet the Specialists

Trade Credit Insurance is a real time financial management tool, providing companies with vital protection against the risks of insolvency or payment default of their customers.

As one of the leading independent Credit Insurance brokers in the UK, TL Dallas has the knowledge and market leverage to support clients. Our experienced Credit team are

specialists in their field and offer impartial advice and expert guidance, ensuring the right solution is identified for businesses.

Headed up by Directors Douglas Main and Simon Hyde, based in Falkirk and Bradford respectively, our Credit Insurance team has a wealth of knowledge and expertise in arranging Credit Insurance.



Douglas Main - Director

Douglas joined TL Dallas 17 years ago and has over 40 years experience in Credit Insurance. He has vast knowledge in many trade sectors but in particular, food and drink, metals and timber.

Douglas has been head of Credit for over 10 years and in that time TL Dallas has seen the Credit Insurance side of the business grow considerably.

Aileen Paterson

Aileen has been with TL Dallas for over 12 years. She has more than 40 years experience working in Credit Insurance, initially starting out her career as an underwriter. Aileen is a technical broker with experience in all sectors including Export Credit Insurance.

She prides herself on developing long standing relationships with her clients, understanding their business needs and maintaining a good rapport.



Simon Hyde - Credit Broking Director

Simon started his career with the MOD in York before a promotion in 1981 saw him join the Export Credit Guarantee Department, (ECGD). He worked for ECGD for the next 16 years, progressing through the ranks, ultimately becoming the Regional Manager of the Leeds office.

Simon joined TL Dallas in 1997, working on new business and looking after a growing portfolio of clients. Simon has a strong, varied knowledge of trade sectors, specifically retail, logistics, seafood, engineering and construction.

Avril Paton

Avril joined TL Dallas five years ago and has been working in Credit Insurance for over 25 years. She has a wealth of knowledge across all trade sectors, but most notably in, timber, construction, food & drink, advertising and textiles.

Sarah Aldridge - Credit Broking Director

Sarah began her career in Credit in 1997 as a junior and has worked her way up over the last 20 years. During this time she studied and secured a first class honours degree in Credit Management. In her spare time she teaches credit management, economics and business law.

Sarah has a broad range of experience, working in many different sectors across a diverse portfolio of clients and loves the variety her role with TL Dallas brings.

Graham Murray

Graham has been part of TL Dallas' Credit Insurance team for over four years.

Securing an honours degree in Risk Management and Financial Services from Glasgow Caledonian University, he stumbled into Credit Insurance around 17 years ago and has never looked back. Throughout his career he has gained experience across all trade sectors and enjoys the diversity of clients he works with.

Manjit Kaur

With over 25 years experience in the industry, Manjit says it was like coming home when she joined TL Dallas in January 2017 as she has worked with most of the team before.

Over the years Manjit has gained a great deal of experience in various trade sectors and has many loyal clients in food & drink, textiles, construction, metal and retail. Working across a large portfolio range ensures a great knowledge of many industries and the way they work.



Chris Jones

Chris joined TL Dallas around two years ago and offers an important support to the Account Executives in the Credit Insurance team.

Linda Mitchell

Linda has worked at TL Dallas for four years and provides invaluable administrative support to the team in Falkirk.

Susan Sugden

Susan has worked in Credit Insurance for over 10 years. She works full time and loves her role at TL Dallas.

Martin Frazer

Martin has worked in the Credit Insurance industry for almost 30 years in a variety of roles.

Jacky Fellows

Jacky has worked for TL Dallas in the Credit Insurance department since 2001.

Dianne Sweeney

Dianne has worked in the credit team since 2013, initially as an apprentice and now as an Account Handler, supporting the Account Executives.

Between the two branches, the TL Dallas Credit team offers cumulative experience exceeding 250 years in Credit Insurance.

If you would like to know more about how Credit Insurance could support your business please call our Falkirk team on 01324 717466 or Bradford on 01274 465522.



Always Judge the Cover



Whether your passion is Macallan Malts, Monets or the complete works of Jane Austen, we've got you covered. We understand your collections mean a lot to you and we pride ourselves on arranging insurance policies to protect your treasures.

As you might expect, since 1919 we've built up a sound knowledge of homes and cars, but our teams have also acquired valuable experience for a variety of special interests including, but not limited to:

- Book, stamp and toy collections
- Whisky & wine collections
- Arms & armour
- Rare musical instruments
- Equine & livestock
- Private jets & watercraft

For further information, or to discuss your insurance requirements, please contact Zara Burns on 020 7426 5346 or email collectables@tldallas.com.

Funding a Decent Retirement Income



Whenever you start thinking about retirement planning, it is worth beginning by working out how much income you are likely to need. Generally, few people need as much income in retirement as they did when they were working; the mortgage might be paid off, children are likely to have left home, and your general day-to-day expenses may have fallen. Nevertheless, the anticipation of increased leisure time might spur you to make ambitious plans for travel or family, and all these expectations have to be considered if you are to set realistic targets.

Once you have calculated how much money you will need in retirement, you can then work out where it will come from. For example, the flat-rate, single-tier basic state pension is £159.55 per week (for 2017/18), plus you may have money coming in from Individual Savings Accounts (ISAs), rental income from a second property, or even some paid employment.

Having made your plans, you should have a clearer idea of the income you will need to generate from your pension savings. You might already have started to save through a workplace or personal pension scheme; however, although existing pension savings should be taken into account, it is likely you will need to continue to

build them over your remaining working years. Just to give you an idea, a pension fund valued at £100,000 will buy a 65-year-old an annual income of less than £5,200, with no built-in guarantees. If you wish to retire earlier than that, the cost will be even higher. The amount you need to save could, therefore, be considerable.

You can invest up to 100% of your annual earnings in your pension savings, subject to a maximum of £40,000 (for 2017/18) and tax relief is available on the contributions. There is also a maximum limit on the overall size of the pension portfolio you can generate – although at £1 million for the current tax year, there are relatively few people who are affected. Nevertheless, your savings don't all have to be locked away in a pension plan. If you need – or would prefer – some flexibility over your access to your savings, Individual Savings Accounts (ISAs) can be a useful addition to your plans (subject to your personal tax position) and you can save up to £20,000 into an ISA during the current tax year (2017/18).

For further information on planning for your retirement and other financial services, please contact Gary Nixon on 01274 465557 or email gary@tldallasifs.co.uk.

TL Dallas Team Spotlight:

Bernard Dunn CA



My career in Corporate Risk and Insurance for the last 35 years has been a privilege. We look after a wide network of corporate clients, including owner-managed, family and VC-backed companies. Our role as insurance and risk advisers gives us a unique insight into businesses, how they work and how they manage their risks. We can get under the skin of businesses even more than other advisers, through seeing what goes on, as well as the current and future risks facing the client.

My CA qualification has given me a different perspective on discussing a client's risks and their insurance requirements. It has helped to get on the client's wavelength (particularly with the CEO or FD) in how they consider their business's major risk exposures and how to protect them.

Insurance And Risk Due Diligence Services

TL Dallas has offered this specialist service for a number of years and it is an area that has seen continued growth. Providing this service allows us to work with Venture Capitalists, Clients, Private Investors, Non-execs and Lead Advisor firms.

In essence, we deliver an objective review of a company's:

- Key risk exposures facing the business (both insured and uninsured), through interviews

with senior management, site visits and research

- Assess the adequacy of insurance values and limits (fixed assets, current assets, products, liabilities, future profits, people)
- Scope of insurance policy cover, conditions and exclusions - is it reasonable?, practical?, workable?, suitable for the business?
- Historic and current claims - what does that tell us about the business?
- Health and Safety practices/procedures - what does this tell us about the business, its priorities and culture?
- Insurance required for a specific deal (e.g. warranties and indemnities for purchasers and vendors)

We seek to deliver this work in two stages:

1. An initial Key Points Summary within 2-3 days of main site visit and review
2. Main Report and Recommendations within 7-10 days of receiving requested data, following site visits and meetings with management

Above all, we seek to deliver a clear and concise report in plain terms, with recommended actions and costings for all interested parties.

**Contact Bernard Dunn -
Bernard.Dunn@tldallas.com or call
0141 204 0300.**

Recent examples of our work include:

panoramic

Panoramic Growth Equity

(reviews for potential investments in precision engineering, plastic extrusion, chemical manufacturing, media content, contact centres, aluminium production)

MAVEN
CAPITAL PARTNERS

Maven Capital Partners

(property acquisitions and development in hotels and student accommodation)


Green Highland
Unlocking Hydro Energy

Green Highland

Renewables (acquisition of hydro schemes)

TL Dallas' Due Diligence Team

Not only do TL Dallas approach Due Diligence services from an insurance perspective but they also take a holistic Risk Management approach with the client. Working closely alongside Bernard Dunn in the Due Diligence Team are Doug Lapsley and Gary Foggo.



Douglas Lapsley, BA (Hons) Risk Management, ACII

Doug has a sound blend of practical risk management and insurance service. He also has experience working with the Commonwealth Games 2014 Glasgow team in the risk management and mapping team.



Gary Foggo, CMIOSH, Health & Safety Consultant

Gary has over 15 years experience in the industry as Health & Safety Manager and in H&S Consulting.



A Guide to Business Interruption

In business, continuity is the baseline of success. It goes without saying really, continuous revenue and cash flow without interruption is the lifeblood of SMEs.

Ensuring a business has the correct insurance to continue to trade irrespective of internal and external factors, is absolutely key to that business's success, regardless of size.

While this isn't news to most business owners, there can sometimes be a gap in understanding the options available for the worst case scenario of when a company is forced to close operations for an extended period. Business Interruption insurance deals with the continuity of income after insured property is damaged or lost after a catastrophic event.

It operates to cover business cash flow and in the process also protects the owner's income stream and their investment in the business. The cover pays for ongoing costs that continue regardless of whether the business is closed or substantially affected; e.g. rent and utilities. It also covers

additional costs incurred to minimise the effects of the closure or downturn, plus net profit and/or loss. In most cases, claims are triggered by weather or fire events.

Protecting your business priorities

Risks can range from increased frequency and severity of existing risks, such as climate change impacts on storms, water levels, bushfire risk; to new risks that develop through advances to technology and social or political changes, including terrorism, regulatory changes, pollution and other environmental impacts or food supply.

However, the risks faced by a business will vary based on the company, its critical operations, the risk management options available and a business owner's risk appetite.

“Business owners should be mindful not to underestimate the length of time it could take for the company to be back to full operating capacity.”

In terms of purchasing Business Interruption cover, the business owner has three concurrently operating areas of interest:

- paying ongoing business expenses to ensure the business is not wound up, and to protect the capital already invested into that venture
- meeting personal guarantees given in connection with the business, and
- maintaining personal income

Consider indirect risks to your business

Business owners can often overlook risks that could indirectly impact their company, so it's important to take this into consideration too.

Indirect business impacts refer to events affecting property other than the insured's own. That includes damage to the premises of customers or suppliers, providers of public utilities, access issues due to damage to adjacent premises, or to roads, bridges or railways.

Given the potential ripple effect of damage an event such as public utilities breaking down could cause means almost every type of business can be affected.

The indemnity period explained

The indemnity period is the amount of time during which a business owner can claim the benefits of their Business Interruption insurance

policy. It is typically the most important part of arranging the policy because the period decided will determine the total loss of interruption.

Business owners should be mindful not to underestimate the length of time it could take for the company to be back to full operating capacity.

The first consideration is the expected rebuilding period, but this will vary depending on the structure and there can be delays between the date of damage and the date when all necessary approvals have been received to start reconstruction.

There may be a considerable delay associated in moving back into premises, getting new supplies and attracting a new customer base.

Cover does not automatically cease when the building, or other damaged property, has been repaired or replaced. It will continue, subject to the indemnity period selected, until the results of the business are no longer adversely affected.

The period required will depend on the circumstances of each business but because maintenance of income is a primary consideration to owners and employees, the period selected should not be so short as to create a risk of business failure through shortage of cash-flow in the final stages of the recovery process.

It's useful to also consider any lease requirements if the business operator is a tenant, in terms of liability for rent and other outgoings.

Article written from opinion taken from one of our Partner Insurers, QBE Europe.

As business insurance specialists, TL Dallas can arrange the policies that best meet your business needs. Please contact your local TL Dallas Business Insurance Team for further details.

On the Right Road

When and where do different vehicles need Road Traffic Act (RTA) cover? When will Public Liability cover suffice? Tom Aldridge at TL Dallas explores these questions, which have become more complicated after the statutory requirement for compulsory vehicle insurance altered - so that now vehicles must be insured for use on a road or other public place (Section 143 Road Traffic Act 1988 as amended by the Motor Vehicles [Compulsory Insurance] Regulations 2000).

Over the years, discussions surrounding this change have highlighted situations where individuals - whether members of the public; staff; or, in the case of golf and country clubs, paid-up club members - could be exposed to injury from mechanically-propelled vehicles (MPVs). In many cases, the MPV may not fall within the definition of the Road Traffic Act 1988. This states a 'motor vehicle' is a mechanically-propelled vehicle intended or adapted for use on roads.

The golf buggy, the luggage trolley and the zoo bus are, in many cases, direct derivatives of the ubiquitous milk float, which is certainly intended for use on roads.

Private or public?

A better starting point is to perhaps define what does not amount to a road. The simple answer is "private land to which the public does not ordinarily have access". However, even this definition is open to argument and caution needs to be exercised.

Using the example of a private golf club, we need to question just how ‘private’ most of these are. In many cases, most private courses advertise that visitors are welcome. In addition, we have competitions such as The Open where the course and its facilities are swamped by paying spectators. For these reasons, a ‘private’ establishment can be very public indeed.

In all of these situations, people are exposed to MPVs - on the course; on paths; on access roads; and in car parks. Sooner or later, there will be a claim large enough to attract the attention of the public liability underwriter or, alternatively, there will be no insurance at all and an enterprising solicitor will involve the Motor Insurance Bureau.

Just think about it - perhaps at Carnoustie in July 2018, Rory McIlroy has a three-foot putt for The Open and he catches his fingers in the door of a golf buggy driven by a 15-year old volunteer. It is only in such an extreme case that one could expect to see a definitive legal judgement and whether ‘intended or adapted for use on roads’, or ‘other public place’ will actually be clarified or expanded upon.

In Scotland, the consideration of the meaning of a road has particular significance due to the “right to roam” legislation – which gives members of the public the rights and access to cross land for recreational purposes, provided they exercise the right reasonably and provided it does not adversely affect privacy of the landowner. We would therefore encourage clients to effect Third Party (TP) Motor cover for anything self-propelled used anywhere in Scotland.

Commercial Motor insurers remain able to provide Third Party Road Risks cover at a relatively nominal cost on virtually anything self-propelled. The following could be considered to be amongst the advantages of Third Party Motor cover, in comparison to Public Liability (non Motor) cover:

<p>Limit of Indemnity</p>	<p>Public Liability policies ordinarily have more modest limits compared with TP Motor policies - which of course legally require to provide unlimited TP injury limits, as well as a TP property damage limit for non-cars (normally this is £5M, but can be higher).</p>
<p>Excess</p>	<p>The RTA obviously prohibits the imposition of an Excess/Deductible on TP Motor claims. Public Liability policies ordinarily have Third Party excesses; usually property damage but sometimes, and increasingly, also personal injury. The Public Liability policy excess is often relatively high when out with the traditional composite providers.</p>
<p>Protecting your claims experience</p>	<p>In our portfolio of commercial clients, typically, the Combined Liability policy is the largest spend in the client's programme. Protecting the claims experience on that policy is therefore arguably paramount to avoid the risk of penal terms being applied to the Policy which could impact on client's Liability spend.</p>

The British Insurance Brokers’ Association’s (BIBA’s) counsel is always to effect Third Party Motor cover as opposed to relying on the likelihood of a Public Liability non-Motor cover responding; the ultimate fears of reliance on the latter being at some point when a large claim (inevitably) occurs, a senior Public Liability underwriter and/or an enterprising lawyer could potentially make the case precedent for a Motor policy being the only source of indemnity available to an aggrieved policyholder. The larger the claim, then arguably the more likely this outcome could occur.

With thanks from insight supplied by British Insurance Brokers’ Association (BIBA).

If you would like to discuss this topic in more detail, please contact your Account Executive or local TL Dallas office.



Risk Management

Motorsafe - Health & Safety Made Easy

TL Dallas are pleased to introduce a new service from our Risk Management team for the motor trade sector.

Overlooking health and safety issues could harm your employees and put you and your company at the risk of prosecution. We realise understanding and implementing a solution for your business can be complicated and potentially costly.

However, TL Dallas Risk Management can help. We specialise in health and safety and will work with you and your team to deliver a tailor made policy ensuring peace of mind that your business is in safe hands.

From as little as £50 per month, we effectively offer access to your own 'health & safety department' via our experts.

Motorsafe offers the following benefits:

- An initial meeting to understand your business, review existing policies and undertake a workplace inspection.
- Following this, we will provide you with an action plan of recommended improvements which we will review on an annual basis.
- Preparation of a suite of health and safety documentation which will include your health and safety policy.
- Unlimited phone and email access to your named consultant for any health and safety related questions.

Optional elements offered include:

- Development of activity risk assessments
- Undertaking fire risk assessments
- Training solutions

If you would like to discuss how Motorsafe can help your business please contact us at riskmanagement@tldallas.com.

Client Insight - KMF Group

Established in 1971, KMF Group is a leading provider of precision sheet metal fabrication and precision engineering, to companies within a range of fast-growing industry sectors. KMF Group have been delivering innovative and comprehensive manufacturing solutions to customers for over 45 years.



From the complex assembly of fully integrated metal enclosures, to the production of high-value precision parts, businesses of all sizes rely on KMF for high-quality metal manufacture and process expertise.

KMF also invests heavily in their future workforce and in 2009 opened the KMF Training Centre, where they deliver their own apprenticeships and industry relevant training.

To encourage the next generation of their workforce, KMF launched the incredibly successful Young Engineer of the Year initiative in 2013. The annual event has been supported by TL Dallas since 2014 and hopes to inspire young



people into STEM subjects.

Projects have included launching large balloons carrying science experiments into space, 3D Printing and Lego Robotics. This year KMF is engaging with 22 local schools and sponsor companies with the Greenpower Project, where students are tasked to design, build and race F24 Kit Cars.

To find out more about KMF Group and the Young Engineer of the Year initiative, visit www.kmf.co.uk





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