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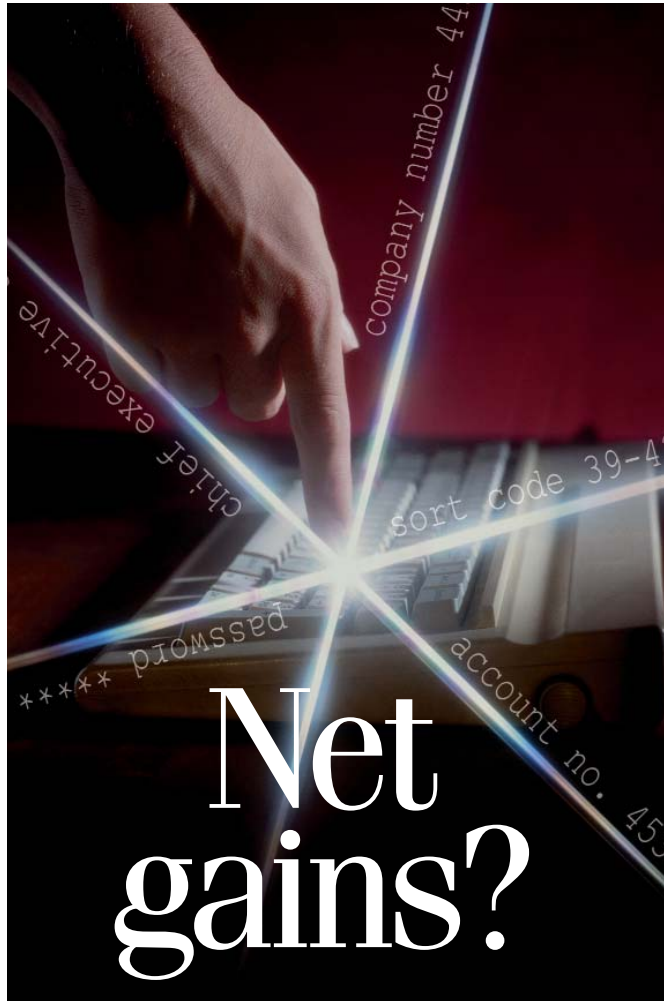


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*E-business is growing in importance,  
but the risks are growing as well*

**H**ARDLY A WEEK goes past without a newspaper report about the theft of personal details by a hacker or criminal organisation. The protection and proper usage of data stored is becoming much more important. Because of the increasing number of businesses that hold client detail, more will need to take extra care to protect the information from accidental

loss, malicious actions or theft for criminal purposes. If the worst happened, and data does get into third party hands with the customer suffering financial loss, then there is a strong presumption of negligence and compensation may need to be paid.

This is just one area of a new range of cyber-liabilities that can

arise in modern businesses. It is estimated that, worldwide, there are some 170m websites, containing some 17bn web pages accessed by over 1bn people annually. The sheer scale of electronic use exposes businesses to thoughtless or malicious acts on an unimaginable scale. There are now great risks of employees maliciously or inadvertently breaching copyright, data protection trademark, or plagiarism legislation, transmitting viruses and creating a whole host of other potentially litigious situations.

If a company uses email, they are in effect publishers and its employees are its authors. A publisher would never release a story until it has been thoroughly checked. Apart from the breaches outlined above this can lead to libel, defamation and other such actions.

High-tech crime is estimated to account for more than one third of financial crime in the UK, and more than 77% of bigger businesses reported virus attacks costing large sums.

A company's first priority should be to ensure that security is in place to reduce the chances of attack, and rules are enforced re passwords and email use. However, rules can be ignored and security breached and to protect you further, insurance is available as a safety net.

Insurance can protect you against accidental breach of copyright, defamation and libel, network breaches by third parties, and unknowingly spreading viruses. It can cover claims against you and, in some cases, the cost of putting your own system right.


If you would like any help in ensuring your system is safer, or more information on insurance protection, just ring us now.

**For further information on any of the articles please contact:**

# An apple a day...



*How health specialists can help the smaller business*

 THE AVERAGE ABSENCE of employees increased last year from 6.6 to 7 days per year. In total 175 million days were lost, costing UK business more than £13bn. The larger the business, the bigger the problem, and big business is now doing more and more to manage this risk.

There is, however, no reason why smaller businesses should not adopt a similar approach. There is now a number of companies specialising in rehabilitation and absence management. Instead of employees calling their manager about an illness or accident, they ring the company and speak to a trained occupational health specialist. These can provide instant advice, access to specialist services such as physiotherapy and stress counselling, and monitor an employee's health record. They can quickly spot trends or potential employers liability problems, and will provide the employer with regular absence reports.

As a result, employees return to work much quicker and recurrent absence reduces dramatically. Royal Mail operates such a programme and recurrent absence has dropped 89%. Employees seem less inclined to take the odd day off if they have to talk to a trained nurse. The service obviously costs money but case studies show that for every £1 spent £3.20 is saved.

It seems like a win-win situation with employees getting the best care and employers saving money and improving output. There is even the bonus that some insurers are prepared to discount employers liability premiums for businesses that have such a programme.



## Better to be safe than sorry

On the opposite page, the implications to business of the new CDM regulations are outlined. If you are carrying out major building works on your premises, extending or having new premises built, you should involve us at an early stage. We can consider the insurance considerations that may arise and we can also help if required in ensuring that the principal contractor is appropriately insured.

Some of the issues are:

- **Under the contract terms what are you responsible for insuring? For extensions it is very likely you will need to insure the works.**
- **Is the work likely to affect the security of the premises or any fire protection?**
- **Does the construction or use of the works impact on your overall insurance risk?**
- **What increases in sums insured is required to reflect the increased building value, extra equipment and stock if any?**
- **Is cover required for the movement of equipment or stock?**
- **Are profits likely to increase and should your loss of profits policy be altered to reflect this?**
- **Is there any change in your business activities?**
- **Are you purchasing any expensive new equipment that may need cover whilst being imported, delivered or installed?**

# Constructive thinking

 THE HEALTH AND SAFETY Executives Construction (Design and Management) Regulations 2007 came into force on the 6th April this year. At first glance, many businesses would assume that it only impacts on the construction industry and will just ignore it. However, this is far from the actual position – its impact is much more far-reaching and could impact on every business.

The aim is to promote a co-ordinated approach to health and safety in the construction sector. The death rates in this sector showed a 25% increase last year and coupled with agricultural, forestry and fishing accounts for over 40% of work place fatalities. These regulations seek to define the responsibilities of all parties, assign these and hopefully ensure that safety is improved. The parties involved are, the client, (principal), the designer, the planning supervisor responsible for all health and safety matters, the principal contractor and contractors and self-employed tradesmen.

The CDM Regulations will generally apply to construction work that lasts for more than 30 days or will involve more than 500 person days of work. CDM also applies to non-notifiable work which involves five people or more on site at any one time.

The client must be satisfied that only competent people are appointed as planning supervisor and principal contractor. This also applies when making arrangements for the appointment of designers and contractors. They should also ensure, as much as they can, that sufficient resources, including time, have been or will be allocated to enable the project to be carried out safely.

The client's key duties are, as far as reasonably practicable, to:

*select and appoint competent planning supervisor and principal contractor;*

*be satisfied that the planning supervisor and principal contractor are competent and will allocate adequate resources for health and safety;*

*be satisfied that designers and contractors are also competent, and will allocate adequate resources when making arrangements for them to work on the project*

*provide the planning supervisor with information relevant to health and safety on the project;*

*ensure construction work does not start until the principal contractor has prepared a satisfactory health and safety plan;*

*ensure the health and safety file is available for inspection, after the project is completed.*

The health and safety plan provides the health and safety focus for the construction phase of a project. The pre-tender health and safety plan should be prepared in time so that it is available for contractors tendering or making similar arrangements to carry out or manage construction work. The planning supervisor is responsible for seeing that this is done.

After being appointed by the client the principal contractor needs to develop the health and safety plan and keep it up to date.

It is likely that your architect will make sure that you confirm to all the requirements but it is essential that you involve us at an early stage so that we consider all the insurance implication that might apply.

*New regulations could have an impact on every business*

## THE PRE-TENDER HEALTH AND SAFETY PLAN

The pre-tender plan which the planning supervisor has to ensure is prepared, should include:

- a general description of the work;
- details of timings within the project;
- details of risks to workers as far as possible at that stage;
- information required by potential principal contractors to demonstrate competence or adequacy of resources;
- information for preparing a health and safety plan for the construction phase and information for welfare provision.

# Ghosts from the past



*Past activities could return to haunt your business*

WHEN YOU SELL a company, the new owner normally would take on all liabilities past or present, and you can walk away knowing that – provided the solicitors have done their job well – there should be no future issues which cost you money.

However, if you are a sole trader, partnership, sell the business but not the company or just close down, then you or your company could still face claims from past activities. A product you supplied some time ago might

have caused injury, some work you did may go wrong or some advice you have given may turn out to be incorrect, causing financial loss. It may be unwise to cancel all insurance cover immediately, and special cover may be required to protect you against these potential long term liabilities.

A similar position applies if you have closed down a division, stopped producing a certain line, changed the nature of your business or stopped exporting to North America. There is a risk that

your current business activities are covered, but your insurer is not aware of past activities. If a liability claim arises from these defunct activities, then your current insurer could well refuse to handle this. The issue is simple to resolve, as it is just a matter of telling your insurer up front of any past changes.

If you feel that any of the above applies to you and you want to check out the position, please contact us.

## Just a click away...



*Free on line tools can ease management burdens*

ONE OF the biggest headaches for a small business owner is finding time to deal with all the administration and management issues which their company requires. Help is available from [www.businesslink.gov.uk](http://www.businesslink.gov.uk), which has over 50 free online tools. These are practical and easy to use. Some examples are:

### **IT RISK ASSESSMENT TOOL** [www.businesslink.gov.uk/itrisk](http://www.businesslink.gov.uk/itrisk)

The IT tool enables a small business to reduce the time and cost of managing an efficient, secure IT system. It also aims to protect businesses against the most common IT-related risks such as viruses. It provides a simple self-assessment tool and then gives a detailed breakdown of risks, advice on how to reduce them and links to further guidance. We can provide further help if needed.

### **HEALTH AND SAFETY PERFORMANCE INDICATOR** [www.businesslink.gov.uk/healthsafetyindicator](http://www.businesslink.gov.uk/healthsafetyindicator)

This is designed to help SMEs to improve their health and safety and will provide a benchmark against other businesses. It only takes 10 minutes to complete and enables businesses to see areas

needing improvement. Once again we can assist if required.

### **PERSONAL DEVELOPMENT PLANNER** [www.businesslink.gov.uk/pdp](http://www.businesslink.gov.uk/pdp)

This helps business owners develop their management skills. It takes users through questions about their business, their role and behaviour at work and how they deal with different scenarios – then formulates an action plan to help users develop their skills.

### **WRITTEN STATEMENT** [www.businesslink.gov.uk/writtenstatement](http://www.businesslink.gov.uk/writtenstatement)

This enables a manager to create a written statement of employment tailored for an individual employee. At the end, you will be able to download the completed statement on your computer, print and hand it to the employee. It takes some 25 minutes to complete and has been approved by lawyers.

This is just a sample of what is available. There are many other services, and financial help in the form of grants etc may also be available. For businesses with limited resources and time the site is well worth a visit before embarking on other more costly routes.

