

QMT GUIDE

# The perils of underinsuring your business



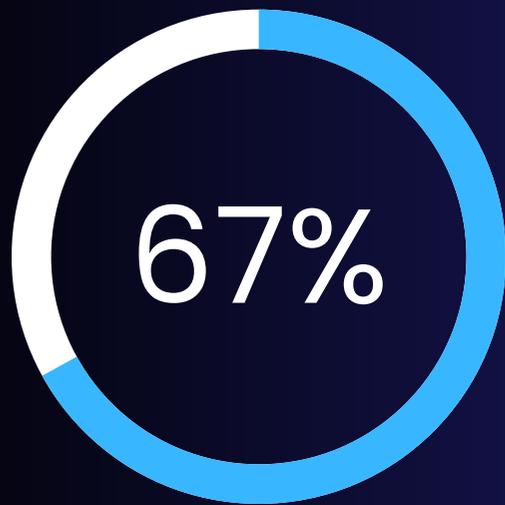
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# What is **UNDERINSURANCE?**

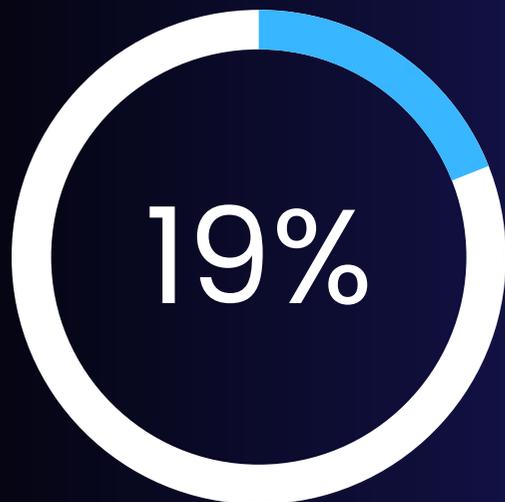
Underinsurance happens when the level of cover you have chosen is lower than the full value at risk



# How **BIG** is the issue?



of policyholders were underinsured prior to a new valuation according to Barret Corp & Harrington



of businesses surveyed by Aviva haven't reviewed their indemnity period within the last 2 years

# Could you afford to **PAYOUT?**

10% of SMEs believe that a financial burden of up to £10,000 from underinsurance could jeopardise their operations



# Areas of UNDERINSURANCE

## SUM INSURED LIMIT

This is the amount insured – carefully factor in full rebuild costs, relevant professional fees and contents in case of a total loss (e.g. fire)

## BUSINESS INTERRUPTION

Carefully consider not only the estimated loss of revenue, but the time it may take for the business to reach its pre-loss level of operation

## LIABILITY LIMIT

Your selected Limit of Liability should consider your business activities, scope of operation, contractual conditions or requirements and area of operation/geographical limits



# What's the **IMPACT?**

Delays to production |

Supply issues |

Staff departure |

Low employee morale |

Revenue loss |

Reduced share price |

Issues with cashflow |

Damage to reputation |

Loss of customers |



# Preventing UNDERINSURANCE

A professional valuation of your company's assets will assist you in selecting the right level of cover.

Regular consultations with your broker are also important to determine your cover needs accurately.



We're here to **HELP**

Our business insurance team are on hand to help you review your insurance arrangements

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