

Corporate Fraud continued...

Fraudsters attempt to obtain details of a company through a number of different means. Sensitive information can be found in rubbish, details held at Companies House, computer hacking, planting insiders within a business and on business networking websites. Over 80% of data breaches are avoidable, such as loss of computers or other data storage devices.

The data and information gained can be used to purchase goods and credit or take out loans in the company's name.

Fraudsters often submit false documents to Companies House to change the registered address or appoint rogue directors – Companies House estimate approximately 50 false documents are filed each month.

Fraudsters also may impersonate a legitimate business, such as a bank, to trick customers into revealing personal and sensitive information. Common methods used are phishing emails, bogus

websites and false invoices. "Long firm fraud" is where a fraudster sets up a legitimate business which trades normally for a period to establish a good credit history. Large orders are then placed, before the fraudster disappears without paying for the goods.

These are just some examples of the types of fraud that may beset a company. No business is safe from being a target, large or small and the practice is on the increase.

Whilst this subject seems to be topical in the present corporate climate, the insurance industry has historically recognised the risk and there are a number of insurance products that are capable of transferring the fraud risk away from the business.

Where many commercial package policies will cover the business for trading fraud

committed against the company, under the theft section, fraud committed by employees (fidelity) is often limited or excluded altogether. A Fidelity Guarantee policy would indemnify employers from financial loss resulting from the acts of employees.

A Directors & Officers policy (D&O) would indemnify directors and officers of a company for losses arising from claims made against them by reason of a wrongful act related to their duties.



Protect Your Identity

Identity theft is Britain's fastest-growing crime, increasing at nearly 500% a year.

With thousands of innocent people suffering from huge financial losses each year, protecting yourself against it has never been so important.

The tactics of identity thieves are becoming harder and harder to protect against. With the heavy use of the internet and new automated systems, finding information is easy, with just your credit card details it is possible to collect birth certificates and even order passports in your name with little hassle or danger. There is practically no information that cannot be found somewhere, and this form of personal theft is only the start of it.

With the recent Government admission that 25 million pieces of child benefit data have been lost, it seems that simply protecting your everyday data is not enough. It is expected that if this lost data falls into the wrong hands, it could easily cause billions of pounds worth of fraud related damage.

This damage could not only leave millions of families out of pocket,

but have much stronger effects to their everyday lives. Such thefts can often severely change your credit records, reputation and future employment as many cases can take months to be found, and then further months to prove. All in all this is making identity theft a serious national problem with few available solutions.

So how do you manage to protect yourself when even "safe" homes of information are leaking your most valuable data?

Whilst it is vital to be as cautious as possible with physical documentation, including the disposal of bank statements and credit cards, it seems identify theft is a crime that can effect even the most careful. Making the answer less of protecting against it, and more of saving yourself from the damage the theft can cause.

Insuring yourself against criminal uses of data will effectively reduce the damage you could incur significantly. By covering any legal fees needed to resolve the situation and by offering expert advice, you can successfully help to limit the disruption to your life.

Ownership of holiday homes continues to grow unabated...

Dreaming of big blue skies, sparkling white sandy beaches, sipping wine at a table outside in the sun? In short, thinking of living anywhere else but here? If so you are not alone...

- The number of Britons with overseas homes has surged to 3.6 million and this figure is expected to double within the next 5 years.
- Overall, the overseas British property market is worth £44 billion, and is expected to more than double by 2012, as the number of Britons buying overseas grows by 13% each year.
- 1 million UK residents have now bought a second property overseas either as a holiday home or for retirement. The remaining 2.5 million properties are owned by British citizens living permanently overseas.
- Spain and France are still amongst the favourite places to buy although other countries are gaining popularity.
- You can expect growth in what has become known as "BARBIS" - Buy Abroad, Rent in Britain, - "JET to LETs" - who rent out their foreign property as an investment, and "FLY n FLOPS" - holiday home owners who just want to sit in the sun.
- More than 43% of Brits are considering the idea of buying a place in the sun as a holiday home, a place to retire, an investment or even as a cheaper way on to the property ladder.

Protecting Your Home in the Sun

It is all too easy to be swept away by the thrill of buying a property in the sun, and leave arranging the insurance to the last minute. Many people buying properties abroad rely on insurance arranged on their behalf by the banks or property sales agents in the countries they have bought homes in. These policies often have inadequate cover in comparison to UK policies.

Perhaps most worrying is the fact that overseas insurers have very low levels of Property Owners/Public Liability limits of indemnity. In Spain this is typically only £100,000 - many Brits rent out their property and do not realise that should someone be injured while staying there, you will be sued here in the UK where injury awards and legal costs are significantly higher. £100,000 public liability cover is simply not adequate for the overseas home owner.

Overseas insurer's home insurance policies typically do not provide the levels of cover you would find from a UK insurer. Please contact your usual broker for details of the cover that can be provided.



RISING FUEL COSTS - NEW RISKS

Every business has been impacted by the rising cost of fuel, but some businesses, particularly those within the transportation and logistics sector are facing new threats.

There is an increased spate of opportunists and targeted thefts of fuel from vehicles. With larger vehicles, especially those with reserve fuel tanks, losses in excess of £1,000 are happening.

Not only is this distressing for businesses and employees alike, a vehicle with no fuel, or worse still one where damage to tanks has occurred during the siphoning off of fuel are costly to a business in a number of ways. The knock on of the driver being stranded, requiring recovery and then not being able to meet schedules just add to what can be a very bad experience.

With no two insurance policies being identical insurers attitudes vary, ranging from those who agree that the fuel loss and damage are valid claims under Comprehensive policies, to those who will argue the "small print" and that fuel is not an accessory and is not covered. There is one matter on which all Insurers are agreed. None considered the delay and disruption costs would be insured.

Businesses unfortunate enough to be targeted in this way, often have to weigh up whether it is worth putting in an insurance claim as this

may have an effect on future premium. Also many policies now have the same excess on 'theft' as they do for 'damage'.

Thefts of fuel are not just limited to vehicles. Thieves will also target other fuel supplies. External fuel tanks in yards are another 'easy target' and many Property Insurance policies covering theft, only pay up if there is a break-in to a building. If you have external fuel tanks or underground supplies, then this needs to be discussed with insurers. They may be prepared to cover you for 'theft of property in the open' either within your policy or by special agreement.

Postscript. Fortunately it is not all doom and gloom. Increased fuel costs have created challenges, such as fuel economy to keep driving costs down. One of these challenges might be your insurance premium. Increased fuel costs, has meant we are all more aware of fuel economy.

Educating drivers on fuel economy can have a positive affect on driver behaviour - essential journeys only, route planning, heightened safety awareness, tyre maintenance etc. If a business can show that its vehicles are not on the road as often, and you have safer and more aware drivers, then insurers should be able to recognise this when assessing their premiums.