

Budget now for future insurance premium increases

CORPORATE insurance are warning businesses to budget now for expected increases to corporate insurance premiums.

Robert Cholmondeley, director, advises that some insurers are seeking to apply a policy of sensible premium rating increase of around 5% per annum over the next few years. This action is being taken in order to avoid a 'knee-jerk' reaction of annual increases of 20% (or possibly even more) at some stage in the future.

Now Robert, who advises a range of businesses across the North West on their insurance requirements, is warning companies to prepare for this extra cost and explains that it is much easier to budget for single digit percentage increases – especially in an economic downturn.

He said: *"Many companies may be tempted to reduce premium spend by cutting what they see as non-essential cover.*

However some covers previously viewed as "non-essential" can actually become some of the most essential in times of recession. With company profits suffering, many disgruntled stakeholders may look to company Directors for compensation – highlighting the prevalence of Directors & Officers Liability Cover that should now be regarded highly on any corporate insurance shopping list

Whilst we appreciate many businesses are feeling the effects of the current economic climate, we would stress the importance of risk management to all businesses. Those with a proven track record of good housekeeping reflecting successful, well-run companies with good claim histories will, without doubt, be recognised by Insurers."