

Don't be rash when slashing insurance costs

A CORPORATE insurance expert is warning budget conscious companies looking to cut premium costs not to leave their businesses exposed.

Robert Cholmondeley, director of the Corporate Insurance division of Preston based financial advisory group Taylor Patterson, reveals many businesses are looking to trim their insurance costs to help them tackle the recession.

But he warns that many are in danger of leaving their businesses under-insured or exposed as they cut back on what they believe are unessential insurance costs.

"There are savings to be made for businesses when it comes to corporate insurance premiums, but it is important such decisions are properly researched and well thought out," says Robert.

He added: *"We are finding that the insurance market remains competitive at the moment despite fears of predicted hardening rates. However, saving premiums is not as black and white as some people might think. For example, having adequate health and safety and risk management policies can both assist in producing favourable premiums terms and ensuring that the expected premium increases over the next year or two are minimised."*

"Under-insuring is an easy trap to fall into. There may be short-term financial gains but the long-term cost could be devastating if the wrong decision is made."

"It is important to get proper advice before making any changes, and never cancel a policy without having evaluated the consequences and additional risks faced by your business without the cover being in force."