

How not to lose sleep over business interruption

BUSINESSES of any size will always suffer the odd bump in the road.

Sometimes these bumps can be more serious - a theft, vandalism, a fire or a flood - but there are a variety of things that cause a business to halt operations and come off the rails for a while.

Any setback or disaster impacts your business in various ways. You might need funds to fix damaged premises or replenish lost stock, but what about other losses when your business operations are interrupted? Loss of income when you can't trade? Continuing fixed expenses such as rent, utilities and salaries that have to be paid? Supply chain interruption? The erosion of customer trust when orders cannot be fulfilled?

Something going wrong can lead to all sorts of financial headaches, and there may be parts of your business that keep you awake at night more than others.

What aspects of your company do you lose most sleep over? What or who could you not do without? Is it any of the following? And did you know that business interruption insurance can offer a solution to your sleepless nights?

Your key personnel: some of your staff are invaluable. When a key person, such as a top executive or a uniquely skilled employee, is suddenly unavailable due to illness, injury or unexpected departure, the resulting disruption can result in more than just a diary re-jiggle. It can severely affect operations and revenue. Keyman insurance is a type of insurance that provides a financial buffer, compensating for the absence of critical staff by covering subsequent expenses, temporary staff replacements and maintaining your business's stability during any transition.

Your digital infrastructure: your digital infrastructure is all the online systems that support your business's operations, including websites, e-commerce platforms and cloud services. What if your server goes down? What if you are hacked and have data stolen? What if there is an internet outage like the recent Microsoft one? Business interruption insurance is crucial in mitigating digital disasters and the resulting loss in income. Taking cybercrime as an example, cyberattacks

can halt operations and lead to significant financial losses, and the recovery process can be lengthy and costly, but BI insurance can provide essential financial support, covering lost income and additional expenses incurred during downtime, and allowing your business to recover more swiftly.

Your production: do you operate a busy production line? Does your business rely on daily manufacturing? If production comes to a halt, how much revenue would you stand to lose an hour, a day, a week? Business interruption insurance is essential for protecting against the financial fallout from production disruptions. Your business can receive compensation for lost income and extra costs incurred while getting back to full production capacity. This coverage ensures that your business can maintain financial stability and navigate the recovery process without undue strain.

Your ability to trade: it's pretty basic - if you can't trade, you can't make money, so if your business comes to a standstill due to fire, flood or vandalism, you're going to lose out until you can get back on your feet again. Business interruption insurance plays a crucial role in enabling businesses to continue trading following unforeseen disruptions that disrupt cash flow, customer relationships and market position. It can cover payroll, plus make up the shortfall of any lost income, ensuring your business weathers the storm and maintains operations.



Running a business and enjoying a good night's sleep are not always compatible bedfellows. Matthew Collins, Director at Chelmsford-based Ascend Broking Group, suggests how this can be put right.

Your overheads: bills still need to be paid and rent still needs to be stumped up, even if your business is interrupted. How do you keep these commitments going when your business is standing still? Business interruption insurance is indispensable for covering overhead costs during periods of operational stoppage. This insurance provides crucial financial support to cover ongoing expenses such as rent, utilities, payroll and other fixed costs that continue to accrue even when revenue generation is halted.

Your reputation with customers: when things go wrong, you're at risk of not being able to provide your service or fulfil customer orders, leading to potential client dissatisfaction and desertion. How would you recover from having to delay or cancel orders should your business operations grind to a halt? Could you survive if frustrated customers left in droves? Once again, business interruption insurance is indispensable for safeguarding a company's reputation when service delivery is jeopardised and customers' loyalty is tested. Its safety net offers financial support for lost income and expenses, meaning businesses can maintain service levels and retain their reputation.

There are many worries when it comes to your business, but most can be alleviated by the comfort of business interruption insurance. Getting it right is essential, as some 40% of businesses that experience a major business interruption incident fail within two years. Working with a specialist in this sector will ensure you fully understand what you have cover for and the process (and time) an insurance company will take to ease any cash-flow pressures.

Business interruption insurance provides valuable reassurance and will help you avoid those business owner sleepless nights.





Ascend Broking Group

Business Insurance Solutions

More than just insurance

Proactive advice-driven solutions protecting your business today, tomorrow and into the future

Award-winning business insurance solutions provided by the leading insurance and risk management advisor in Essex

Sector solutions for:

Aviation

Commercial

Construction

Manufacturing

Marine

Professions

Real Estate

Transportation

Healthcare

01245 449 060

ascendbroking.co.uk

Motor fleet | Liability | Commercial Combined | Plant | Property | Professional Indemnity | Marine | Cyber | Directors & Officers | Risk Management

