

Kevin McCann is an insurance and risk management expert at Marsh Ireland. Kevin leads Marsh Ireland's Commercial Division in Dublin which focuses on the specific risk and insurance needs of small and medium sized Irish firms and talks here about the things to consider as a 'New to Market' company.

Q. What is the current state of play in insurance for start ups in Ireland. Have there been any recent (or are there any upcoming) changes in the business insurance market in Ireland that will have an impact on start up businesses and those dipping into business insurance for the first time?

Kevin McCann of Marsh Ireland's Commercial Business Division says "Whilst insurance premium rates are continuing to decrease, it is extremely important that all companies ensure they have the correct covers and levels of cover in place as well as an adequately implemented risk management strategy".

Q. Are there particular rating systems that apply when it comes to covering startups?

"No – there are not but companies who can demonstrate that they have effective risk management policies in place should benefit over those companies that do not" says Marsh Ireland's Kevin McCann

Q. What are the primary insurance areas first-time business owners must consider?

Kevin McCann of Marsh Ireland's Commercial Business Division says "Business Insurance is sometimes seen as a complex area and it can be difficult to navigate so it's important to get the best advice possible as it could save significant sums of money."

"Marsh would always recommend property damage as an essential part of business insurance for start-ups and established firms alike. This covers the firm and its assets for things like Fire & Perils (storm, tempest, flood, burst pipes, explosion, aircraft, riot, strikes, civil commotion, malicious damage, earthquake (excl. subsidence), vehicle impact, and Theft).

"Apart from property cover, Marsh would always recommend two other essential pieces of insurance cover for any business - Employers Liability insurance and Public Products Liability." says small business insurance expert, Kevin McCann of Marsh Ireland.

"And depending on nature of Business, Professional Indemnity or Credit Insurance, Business Interruption (loss of profit/rent due to above perils) and Money, Computer, Keyman and Engineering Inspection cover should also be considered." says Marsh Ireland's Kevin McCann.

Q. Have you any advice that you can offer startups on mandatory v voluntary insurance?

"There are few mandatory insurances required in Ireland apart from Motor insurance" says Kevin McCann of Marsh Ireland, "however in the U.K., along with motor insurance, Employers Liability is also Mandatory and a good broker would always recommend this type of cover in Ireland."

"Ultimately the insurance consultancy we provide is about helping businesses to protect their assets. Just because something is not mandatory does not mean that business can afford to ignore it." says Marsh Ireland's Kevin McCann.

Q. Are they considered to be poor risks and does this adversely affect the premia?

"The fact that a company is a start-up does not by itself make it a poor risk. Regardless of the size of the company risk management is a vital function and Marsh Ireland's risk consultants help

clients to firstly audit their risks and then to devise appropriate strategies to manage the risks. With proper risk management and advice, even so called 'poor risks' can save on their premia. The insurance consultancy we provide is about helping businesses to protect their assets and manage their risks." says Marsh Ireland's Kevin McCann.

Q. In terms of the various types of insurance on offer... from Employers Liability (mandatory) / Professional Indemnity of Product Liability / Property Damage / Loss of Profits / Business Interruption / Money Insurance / Employees Liability / Public Liability to motor Motor Insurance / Keyman and Partnership insurance, which would you rate as the most important?

"The most important would be Property, Employers Liability and Public Products Liability. Others may well be essential depending on the type of business and that's where it is vital for start-ups to get the best possible advice they can in relation to their needs. With that advice they can then plan and manage the risks and premia." says Marsh Ireland's Kevin McCann.

Q. What are the most common errors people make when taking out business insurance?

"The most common error is to ignore the risks and the solutions. The right insurance advice will help a business protect its assets and grow the business. It should be seen as an investment not a cost." advises Kevin McCann of Marsh Ireland's Commercial Division.

"The simple steps that start-ups should take when looking at risk management include:

- Identify business needs & objectives.
- Undertake a Risk Consultancy/Assessment of Business and identify the Risk exposures.
- Analyze the risk and design solution(s), Execute it, and measure results.

"Marsh Ireland's risk consultancy helps clients compile a suitable cost effective programme that reflects their needs & requirements. Some businesses treat insurance as a 'once a year dustdown'. Managing risk is like every other form of management – it's day-in, day-out. The more attention it receives the greater the eventual payback. Businesses should review the sums insured regularly and check details of existing scope of cover." says Kevin McCann of Marsh Ireland.

Quick rundown of the various types of business insurance and covers:

Professional Indemnity - Protects the client/consultant from claims against him/her arising out of negligent performance or breach of contractual duty.

Property Damage - Cover provided in respect of loss, destruction or damage caused by any of the "Insured Perils" to the "Property Insured" at Risk address(s).

Loss of Profits/Business Interruption - Cover provided in respect of increase in cost of working/loss of Gross Profit follow upon loss or damage by an insured peril as insured under the material/property damage policy.

Money - Cover provided in respect of loss of cash money by theft or hold-up or accident or misfortune. Money:- Includes current coin currency notes, postal orders, money orders, uncrossed cheques, cheques current, postage stamps, pension stamps (whether affixed to cards or otherwise), national savings and holiday with pay stamps, national saving certificate, and luncheon vouchers.

Employers Liability - Legal Liability following death of or bodily injury or disease sustained by employees during and arising out of or in the course of their employment in the business as specified. Usually Limit of Indemnity is E13,000,000 any one event.

Public/Products Liability - Indemnity provided in respect of potential legal liability to pay compensation to members of the public for injury or illness suffered by them and for the damage to property arising in connection with the business as defined. Usual Limit of Indemnity

E2,600,000 any one accident or series of accidents arising from any one event, unlimited any one period of insurance.

Motor Insurance - Social, Domestic & Pleasure use in connection with the insured's business & private use.

Keyman Insurance – Cover taken out by the company to protect it's revenue in the event of the loss of a key named person or persons within the company. In the event of a claim, the insurer pays the company.

Ends.

Kevin McCann can be contacted on:

01 604 8262 or at Kevin.mccann@marsh.com

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