

Future insurance market in India, China and rest Asia

[youtube:<http://uk.youtube.com/watch?v=rpnBfSVPVWg>]

Small businesses spend hundreds of millions a year on insurance yet policies may not fully cover some of their most serious risks. Risk management is a vital part of running a small business, yet neglected by most small business owners who say they haven't got the time.

Every business faces daily [risks](#) and the smaller the business, the greater the impact can be. Failure of a supplier, insolvency of a major creditor, changes in exchange rates, theft by staff, computer virus attack.

Video and post made in 2008 - very accurate forecasting / trends analysis.

The trouble is that when disaster strikes, you may need more than a small business insurance payout to keep going. And disaster comes around often. One in five businesses will experience a serious theft or a fire in 10-20 years.

Small business owners run on a tight margin and don't have spare resources to tackle major issues, so are very vulnerable to business disasters and other negative events. Small business insurance may cover obvious costs but not all the hidden consequences.

Take backup of computer data for example: you assume that everything works fine until a hard disk crashes. When you come to restore data you find either the system was not backed up recently enough, and you have lost vital e-mails and other data, or that the backup files are corrupt. This kind of event is far commoner than you may imagine. Every computer your business owns is a separate risk of sudden hardware failure or attack by a virus, and small businesses are especially vulnerable because they don't have the backup of a professional IT department, and are often dependent on a varied collection of computers, and staff who don't fully understand how to use them.

Does your small business insurance cover you for destruction of your business following staff errors in backing up or even for the loss of your own personal organiser and all your diary for the next 6 weeks? For lost orders, lost time, lost mailing lists, lost accounts, embarrassment with customers, chaos in the office? Some surveys suggest that 70% of small businesses fail following a major data loss and their business insurance policies rarely cover all direct and indirect costs.

It can be as simple as being robbed of your portable in the street - and the backup CD-Rom inside the drive of the machine. I have lost count of the number of friends I know who have lost months or even years of work when their own portables have been stolen or failed to boot up.

You may have perfect office-wide backup systems, but it can happen to you all the same after a major break-in - the backups may have been up to date, but all get stolen at the same time. Or after a fire, when all machines and backup data are destroyed.

Ready for more? Are you adequately insured against loss of your web server for a week, or from damage caused by your broadband internet connection going down, or your e-mail system being corrupt for several days, or your switchboard being out of action? Do you know how you would manage? The fact is that no small business insurance policy will cover fully such things - and even if it did, no small business would be able to afford the premiums because the [risks](#) are too frequent and the cost of damage too great.

Another example is the huge amount of time needed to deal with a legal case - perhaps a claim for unfair dismissal, or from an unhappy client. Once again, small business insurance may cover for direct legal costs, but what about the loss to the momentum of the business, caused by up to 50% of your time being taken up with the case for several weeks? Or damage to your brand from a court case, despite the fact that you won at the end.

The list goes on, and includes a call to jury service which can sometimes take a small business owner out of the office for many weeks or months, or long term sickness of one of the three or four most important people in the team.

And then there is your own health: life insurance is one thing, and small business health insurance cover is another, but the reality of serious illness is often a knockout blow to profitability and growth.

Risk assessment is vital. Take a walk around the office and remember the law of all small business which is that whatever can go wrong may well do so, and usually at the most inconvenient time. Protect your business: plan how you can defend your future against some of these [risks](#) - which are very expensive to fully insure against.

Backup your data regularly, keep copies off-site, invest in alternative technology, keep things in order, imagine the worst - and the reality will always be a pleasant surprise.

And whatever you do, make sure you have a proper small business insurance policy, that it covers your major risks, the amount of cover is correct, and that you have read all the small

print.

Small Business Risk Checklist:

- * Contingency plans for every occasion - On your way to a major client meeting with a Powerpoint presentation? What will you do if the projector doesn't work?
- * Pay attention to quality control -- keep lawsuit risk low
- * Take health and safety seriously -- your future depends on it
- * Make sure you get good advice before starting disciplinary proceedings against an employee or making someone redundant
- * Invest in a decent burglar alarm and take up telephone references on those you employ
- * Get a fire-proof, immovable safe - and use it
- * Ensure backups of vital data are on a rotating basis onto different media every day and stored in different places - not all in the office
- * Consider advance lenders agreements to assist cash flow by borrowing against signed contracts or issued invoices
- * Consider factoring arrangements where you get paid on your invoice and a collecting agency takes a commission to cover the risk that they won't get paid back
- * Make sure you have proper small business insurance cover and have read all the exclusions carefully

Reduce Small Business Risk

- * Eliminate the activity altogether
- * Change what you do to reduce risk
- * Limit your investment exposure
- * Create contingency plans
- * Manage proactively to minimise losses

Small Business Insurance Policies

- * Most businesses need several different policies or kinds of cover eg:
- * Workers compensation / employers liability insurance
- * Auto insurance
- * Commercial property insurance
- * Equipment breakdown insurance and service agreements
- * Commercial public liability (general liability) insurance
- * Professional liability insurance

- * Crime insurance (theft, arson, malicious damage)
- * Business interruption insurance

Articles and Videos on Future of Insurance

[Future of Banking, Insurance and other Financial Services](#)

[Future of online insurance](#)

[Why small business insurance often fails to protect](#)

[Should genetic screening be allowed for life and health insurance?](#)

[Gene tests for insurance - ethical and legal issues - video](#)

[Many other videos by Patrick Dixon on insurance industry trends](#)

[Future of insurance and wealth management](#)

[Reducing risk in financial services / insurance industry](#)

[List of insurance industry clients](#) - insurance industry corporate events

Insurance Conference Keynote Presentations - slides

[Future of Insurance Industry](#) - wider global trends - for clients of Swiss Re in Asia. Conference

keynote presentation.

[Future Trends - for insurance industry audience](#) with interest in sustainability. For Kilne Group.

[Future of](#) insurance and wealth management in South East Asia - internal event for senior [lea](#)
[dership](#)
of leading global insurer.

[Reducing Risk in Financial Services](#) - risk management and investment banking. Keynote for global risk management team of Investec.

[Sustainable business - leadership](#) issues - global warming, climate change, wider environmental issues, risk management, personal and family sustainability.

[Future of the global](#) insurance industry - for HSBC Insurance global [leadership](#) team

[Insuring a Rapidly Changing World - major trends relevant to life](#) insurance and [health](#) cover underwriting - for clients of Munich Re

[Global Trends and their impact on the](#) insurance industry - Munich Re event for clients from Asia. How the insurance industry will be affected by wild cards (low probability, high impact events), why demographic forecasts for ageing and pensions liabilities are incorrect, the development of insurance industry in emerging markets, single issue activism and a rethink about business ethics.

[The Future of Insurance, Pensions, Fund Management, Health and Life](#) - Internal event for senior team members of Allianz looking at opportunities and challenges from such trends as new technology, demographic shifts, emerging markets and lifestyle choices. What will happen to life expectancy and the latest on ageing.

[HSBC Chairman's Leadership Summit September 2005](#) - Opening keynote at event for HSBC senior [leadership](#) on issues likely to impact the bank, for some of the senior HSBC global [leadership](#) team.

[Global Trends in Banking and Financial Services](#) - executive training programme for senior teams at Credit Suisse, covering a broad range of issues that are likely to affect the bank and personal / corporate clients.

[Managing](#) risk in an uncertain world - Risk management client event for Zurich Financial Services in Lucerne Switzerland. How to manage risk more effectively, with clear vision of future potential liabilities and "wild cards". Many of the greatest [risks](#) are the hardest to measure - for example loss of brand value, reputation, sales and share value following high profile scandal. Risk management is becoming more complex and new strategies are needed, including better early warning systems.

[The Future of Commercial Insurance Brokers](#) - and related issues. Client event for Zurich Financial Services for their largest commercial [in](#) [urance brokers](#) in the UK, covering important insurance-related trends and risk management.