

INSURANCE MATTERS

WINTER 2014



INSURING THE WEIRD AND THE WONDERFUL

When you think of insurance the first things that spring to mind tend to be standard policies such as car, life and home cover. However, there are plenty of examples of far more imaginative and creative insurance policies.

Unusual insurance policies are not just for celebrities such as Keith Richards from the Rolling Stones who is rumoured to have had his hands insured for millions of pounds through the Lloyds market.

Body part insurance is not just the sole preserve of celebrities either. Many sommeliers and food critics have their sense of smell and taste buds insured. Such insurance is more popular than you might think and can offer crucial financial cover protecting your livelihood if you rely on a specific part of your body to earn a living.

As strange as it may seem, alien abduction insurance policies are also becoming increasingly popular. One insurance broker alone has sold over 30,000 policies.¹

Many wedding insurance policies offer some unusual cover aspects including “change of heart.” Traditionally, wedding insurance has excluded deposits forfeited because of runaway brides or reluctant grooms, but there are now several policies that cover this eventuality.

There are also many schemes available to offer cover for areas that you may not think could be insured easily.

Most high end household policies offer the option for you to insure your wine collection. It can take a lifetime to build up a collection of fine wines and many schemes have now been designed to protect the wine cellars of collectors. These policies ensure that your investment of both time and money is protected against catastrophic loss. The competition in this market has served to put pressure on rates, meaning that insuring wine collections is now more affordable than ever.

It is also possible to buy insurance for most sports, hobbies and collectables. There are

specialist policies and schemes for classic cars, stamp collections, book and comic collections. Antiques and fine art insurance is also a growing area (for more on this subject please see the article overleaf).

Nowadays, whatever you want to insure, it seems there is a policy out there for you!

If you think you have something unusual which should be insured, please contact us.

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Source:
¹ Goodfellow Rebecca Ingram Pearson. August 2011

PUTTING THE BRAKES ON COMPENSATION CULTURE?

The Ministry of Justice (MOJ) laid out plans in August to limit the cost of whiplash medical assessment fees in England and Wales to £180.

It is hoped by the government that the introduction of this fixed fee will stop medical experts who produce the assessment, from having an incentive to encourage claimants to get unnecessary treatment, thereby increasing their own earnings.

Under the reformed system, it is assumed only one medical assessment will be needed, and measures will be put in place to stop the person who produces this assessment from also treating the claimant. In addition, insurers will be discouraged from settling without an assessment to reduce fraudulent claims, and ongoing work could also introduce accreditation for the experts who produce them.

These new rules were introduced in October 2014.

The changing personal injury landscape and growing compensation culture have also triggered the first review of the Rehabilitation Code in over seven years. The code sets out a voluntary legal framework for insurers and lawyers to agree rehabilitation treatment for injured claimants.

It is designed to ensure the claimant's need for rehabilitation is assessed and addressed as a priority, and this process is pursued on a joint basis between the claimant's lawyer and the insurer.

The body responsible for the code (The International Underwriting Association - Association of British Insurers Rehabilitation Working Party), is also planning to produce a guide to improve understanding between claims handlers, personal injury lawyers, clinicians and case managers.

These MOJ actions currently only affect England and Wales, but will Northern Ireland and Scotland follow suit? We shall have to wait and see.



EXTREME WEATHER AND TRAVEL INSURANCE

In August 2014 the Iceland Meteorological Office raised its aviation warning due to activity from the Bárðarbunga volcano, reminding us all of the disruption to thousands of peoples' travel plans in 2010 when ash clouds from the Eyjafjallajökull volcano paralysed airports across Europe for nearly a month.

Back then over 107,000 flights were cancelled over eight days with around 10 million passengers affected.

Other natural disasters can also wreak havoc with travel plans including storms, hurricanes, earthquakes and tsunamis: halting flights and closing hotels.

Make sure you have travel insurance and that you know what is and isn't covered – just one in four insurance policies cover holidaymakers if travel plans are disrupted by volcanic ash.²

You should also make sure you know what to do if you are unfortunate enough to be affected by extreme weather and you get stranded.

In the event that you are affected by a natural disaster on your travels, your insurance can help beyond simply paying out any claims. By calling your insurer they can often help you arrange alternative accommodation, access to money and other resources and help you get home.

This year The Association of British Insurers provided the following helpful advice to travellers in the event of this type of disruption:³

- Contact your airline, travel agent or airport you are due to fly from for the latest information about travel arrangements.
- Check your travel insurance policy for any cover that may be available.
- Payment for any delay, whether outward or return, is usually a fixed sum for a specified period up to a maximum amount.

Sources:

² The Daily Telegraph, 21st August 2014 <http://www.telegraph.co.uk/finance/personalfinance/insurance/travel/11047965/Just-one-in-four-insurers-covers-volcanic-ash-as-standard.html>

³ ABI <https://www.abi.org.uk/News/News-updates/2014/08/Volcanic-ash-and-travel-insurance-ABI-advice>

HOW TO PROTECT YOUR FINE ART AND ANTIQUES

We have all heard unfortunate and sometimes dramatic stories of people tripping and accidentally damaging their antiques and art.

However, owners could still be putting their art and antiques at risk simply by not understanding less obvious hazards.

HOUSEKEEPING

Wide variations in humidity and temperature can damage fine art and antiques. Therefore rooms containing these items should ideally be kept at a constant temperature of 21°C or 70°F, with between 50% and 55% humidity levels.

If items need cleaning, always seek professional advice from specialists such as conservators and restorers.

SPECIAL CARE FOR PAINTINGS

If possible do not hang pictures and paintings over open fireplaces or radiators, as damage can be caused by heat and smoke.

Source: Zurich Specialist Risk Management Advice – Protecting your Fine Art and Antiques factsheet



Also, do not hang paintings in direct sunlight (in particular water colours, as they are susceptible to fading.)

MOVING FINE ART

Consider using specialist packing and transportation companies when moving fine art and antiques. If you are moving these types of items yourself, damage can be avoided by making sure that those involved are fully aware of the fragile nature and importance of what is being moved.

SECURITY ADVICE

Appropriately marking items of fine art or antiques is proving increasingly popular and such action can aid the identification of stolen valuables.

For more information on protecting your art and antiques please contact us.