

## Press Release



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### **Companies need to be ready for extra risks in London this summer**

The complex logistics surrounding a major global event will require businesses to undertake a thorough review process to cope with the greater variety of risks that they will face, according to a planning document released by Chartis in the UK today. The document urges brokers and insureds to think about both the number of risks they face, and the steps to mitigate them, sooner rather than later.

“While the influx of people from around the world into the UK will bring in significant revenue, it will also present significant risks to many businesses,” said Ian France, Regional Manager of the Commercial Property UK Division at Chartis. “Companies will be vulnerable to a wide range of exposures and will need to plan and implement proper risk management procedures in order to be prepared.”

Highlighted areas include:

Supply chain risk – with an estimated 7.9 million spectators arriving in London and transport links congested, routes may be blocked, delays are virtually inevitable and over night deliveries may become more popular. “Products required on a ‘just in time ‘ basis and temperature sensitive cargo could be susceptible to delays and deterioration,” explained Ian. “Transport companies will look to subcontractors to ease the burden but the more links there are in the logistics chain, the weaker it becomes.”

Cash-handling is another area of concern - in anticipation of increased sales generated by the high number of visitors, any organization that handles cash will need to ensure that appropriate security measures to protect against theft, be it opportunistic or planned. “Companies need to review the adequacy of their existing security measures,” added Ian France. “This should include the general physical security of the site and buildings and electronic security in the form of intruder alarms and CCTV protection. They should also consider ways of reducing the amount of cash on the premises by the use of electronic transfer, more frequent banking, the use of secure internal cash movements or the use of a cash and valuables in transit company.”

Other heightened areas of potential risk that Chartis has identified include:

- Public liability insurance – companies should check that their cover is adequate as more people than normal will be gathering or working in public areas and buildings such as pubs, clubs and hotels, which can affect accumulation exposures.

- Underinsurance – this is likely to be a major risk as businesses may look to hold more stock and may forget to inform their insurer, resulting in inadequate insurance coverage.
- Environmental liability – some companies may be stockpiling bulk fluids such as fuels, chemicals and liquids for production because of concerns over supply. This increases the chances of spills and seepages from sheer bulk or through pressure on pipes and tanks and from refuelling activities.

In response, Chartis is providing additional cover and wider limits for commercial combined policies for the period from 27 July to 9 September 2012. These include 30% limit increases to stock items, all money limits and goods in transit covered under material damage.

“Companies need to make sure they have thought through all the potential risks they are exposed to and that they are adequately prepared,” said Ian. “Business continuity plans should be tested and updated on a regular basis to ensure their effectiveness in the event of disruption so that businesses have peace of mind that they can enjoy all the fun and games this summer.”

Copies of the “Planning for all the fun and games” report can be found at <http://www.chartisinsurance.com/uk>

**Ends**

### **Notes to editors**

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