Tips for Avoiding Underinsurance

Provided by: **RS Risk Solutions Ltd**

While businesses may be all too aware of the impact of economic pressures on operations, many fail to appreciate the knock-on effect such economic burden is having on insurance cover. Specifically, high inflation is increasing the cost of products, materials and labour, making it more expensive to rebuild, repair or replace insured items. This could leave organisations vulnerable if they aren’t regularly reviewing policies. In fact, an estimated 50% of UK businesses are currently underinsured, according to Aviva’s 2023 Risk Insights report. Unfortunately, underinsurance leaves organisations exposed should disaster strike. The following tips may help organisations avoid the perils of underinsurance:

* **Check rebuilding costs**. Research by global insurance broker Gallagher found that 43% of UK commercial properties are already underinsured, and inflation could worsen this statistic. In fact, UK insurers are now looking at an increase of 9.4% to cover rebuild cost inflation, according to the Building Cost Information Service, making it essential to review sums insured. Organisations may avoid underinsurance pitfalls by scrutinising the rebuild cost of commercial properties. Better still, a professional valuation should be arranged.
* **Assess indemnity periods.** Following catastrophic losses, it’s easy to underestimate how long it could take to restart operations and regain usual productivity. Additionally, recent supply chain disruptions may impede repair works following claims. Assessing indemnity periods regularly and extending them as necessary can help organisations cope with potentially disastrous delays.
* **Review policies frequently**. A business rarely remains static; gaining or losing employees, updating processes and adopting new technology all give rise to potential risks. As such, organisations must ensure insurance cover remains adequate after any changes, and new purchases should be added to policies.
* **Implement a business continuity plan**. Given the uncertain economic climate, it’s essential to prepare for all possible outcomes. Employers should implement a business continuity plan to help identify and plan for emerging risks and spot any gaps in cover.

Underinsurance can leave organisations dangerously exposed following loss. However, by taking the time to make sure that policies provide sufficient cover, organisations can navigate tough times knowing they’re covered should the worst happen.

Contact us today for further risk mitigation strategies.

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The Benefits of Coworking Spaces

Coworking—an arrangement in which workers from different companies share an office space—is growing in popularity, partly fuelled by the accelerated demand for remote work. With several employees now opting to work from home, organisations may surrender their larger offices in favour of smaller shared spaces. Indeed, the number of coworking spaces globally is expected to grow by 116% by 2024, according to predictions from data company Statista. Consider the following benefits of coworking:

* **Reduced costs**—Traditional office spaces can be expensive, especially in big cities. In contrast, costs are often lower for similar spaces that are used for coworking because multiple organisations share these facilities. Furthermore, coworking gives start-ups and smaller businesses a budget-friendly way to achieve legitimate business premises while resources are limited.
* **Expanded flexibility**—When organisations anticipate significant growth, it can be difficult to decide how much office space to lease. Coworking spaces may provide greater flexibility than fixed-term office leases, making it easier for businesses to scale. Additionally, coworking spaces often remain open outside of business working hours, allowing for flexible working schedules.
* **Enhanced productivity**—Operating amid the hustle and bustle of several companies’ workers offers employees a sense of belonging and could boost their mood. As happy employees are 12% more productive—according to research by Warwick University—the community feel of coworking spaces could bolster workforce output. Moreover, collaborating with employees from other businesses facilitates knowledge exchange and valuable insight into other industries.
* **Heightened reputation**—Coworking spaces move away from the traditional 9-to-5 workday and offer a more modern way of working. Consequently, organisations may appear relevant and forward-thinking—an attractive prospect to both employees and clients.

Overall, successful coworking spaces allow organisations to work in new ways, bolster workforce happiness and reduce overhead costs—all beneficial to profitability.

Contact us today for further cost-cutting and workplace strategies.