

SIGNworld

December 2006



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Well Covered

SignElite 

INSURANCE FOR THE SIGN & GRAPHICS INDUSTRY

By Steve Taylor

Getting the right insurance cover is the bane of modern signmakers, fraught and full of pitfalls. Most policies cover some of the aspects of the job but not all, and a difficulty seems to arise when the question is asked 'Are you a retailer or a manufacturer?' and the answer comes back, 'Both.' Steve Taylor is the Managing Director of a specialist firm that has created SignElite a specific insurance package designed to suite the signmakers needs. He talks exclusively about the subject to Sign World.

"Yes, we're talking insurance. It's a pain in the proverbial and it's something we all resent paying for, until, of course there comes that unfortunate point when we need it. It is viewed as a boring subject full of jargon, so I will discuss it using as little technical terminology as I can. (The information provided here is generalised and can differ from insurer to insurer so it should not be taken as being correct for your specific circumstances or your current policy, and professional advice should always be sought!)

Where do you work from?

An industrial unit, a shop? What do you do, graphics, vinyl supply, manufacture of complete signs? Do you use timber, metals or plastics? Do you sell-on to sign erectors or do you fit signs yourself? What height do you work to, and to what depth do you dig holes? Perhaps you use hired-in plant such as cherry pickers, scissor lifts, or tower scaffold. Every one of these questions highlight critical areas that determine the cover you need and of course the premium you pay, what's more, when was the last time you were asked about your dongles? And why do T-Shirts cause a problem?

So let's keep it simple, first your premises. Let's say you work from a high street shop, nice prominent site within the town. Great! A shop policy will do fine, right? Wrong! Generally (and there can be exceptions) a "retail shop" policy covers you if you sell books, cakes, furniture, whatever, what it doesn't cover you for is the manufacture or provision of a service where manual work takes place – and yes, making a sign is manual

Sums insured and estimates, (or 'How your premium is rated') this area can be quite dangerous and you need to know how to answer the questions. Essentially what you are being asked is "what is the replacement value to do the same function without betterment"

We frequently see values (sums insured) based on the values as they are at this point in time, however this is no good, we need the 'As New' price. For example, your plotter may be three years old but what we need is the cost of replacing it with a new machine. There are other ways of insuring but they are beyond the scope and detail of this article, reinstatement is the usual standard.

So what do you need to cover?

This really depends on your business and your business machinery whether fixed or not. Take into account benches – even the ones you have made yourself – furniture, machinery and your stock including vinyl's, timber, acrylics, steels and non-ferrous metals, you might even be housing customers vehicles while you're working on them. Then there is your electronic machinery, take your computers, the hardware is ten a penny but the software is a whole different story and you need to know what agreement you have with the software vendor. If the computer, including the software, is damaged in a fire will they just replace the software or will they ask you to buy it again? Don't forget your dongle could be your lifeline, lose it, have it stolen or destroyed and you have a problem and just because you have paid for it once doesn't mean you will get a free replacement. One solution is to hide it, take it off the premises or put it in the safe (just make sure your safe is fire proof of course)! If you pay a subscription for software, the vendor will possibly just update your application free of charge. You have to make sure – read your contract!

Where do you keep your backed-up data? The safe perhaps, because no one will steal it from there? But the fire will render it useless, so consider remote offsite storage! And, of course, all your frequently used fonts, images and important customer images are kept on your computers, what happens when your shiny new Mac goes adrift? Your computer and the software may be covered, but what about the time taken to reinstall all that data? Consider that time and whether it is covered by your insurance policy.

Which brings us onto business interruption, consequential loss, loss of profits, whatever you want to call it, it's all the same thing.

Unbelievably this is one of the first insurance covers to go if you want to save premium, and it shouldn't be. Consider this, if you had a small fire, what would the impact be on your business? You've lost your machinery, your computers and software – how long can you survive without trading? You may have employees, your rent/mortgage, your standing charges are continuing to go out, but nothing is coming in, how long could you survive? And there's more, if one of your suppliers were destroyed by fire or storm, would that cause your business a problem? What about a hold-up at one of your contract sites, or an interruption of your utilities, all could potentially cause your business a problem, it needs to be covered.

Moving your goods, or having them moved for you... This is 'Goods in transit'. Depending on the cover you have, you may find that if you are not in the vehicle then theft isn't covered. Leave it on the drive and you will probably find that it's not

covered either. In fact on virtually every policy you will find that the goods will only be covered overnight whilst kept in a locked or secured compound. Contrary to popular belief, goods in a vehicle are not covered under the motor vehicle policy either. If you send goods out by carrier, check their terms, many still work to Road Haulage Association terms as standard. With many carriers you will have to upgrade the cover otherwise you may find yourself restricted to only £1300 per ton,

Money, being B2B you will probably be paid by cheque for most of the work carried out. If you do take cash you need to make sure your money limit is sufficient for what you have on the premises at any one time, you also need to make sure that your safe will accept the limit you are requesting.

Liability to the public and employees, Public, Products & Employers Liability, your premium for this cover depends on your turnover, wages paid, and the amount of work you do away from your own premises as well as a number of other factors. If you have a retail shop policy it won't cover you for much more than collection and delivery, certainly not fitting. (If you have a shop/retail policy you really need to be making sure this adequately covers your business). Depths, Heights, and types of premises being worked on are all rating factors that must be disclosed, insurers tend to give maximum height limits either in metres or by storey's (variable with different insurers), this assumes of course that your insurer knows how much work you do away! For those who purely erect signs and only have a public liability policy, check what the premises restriction is, ensure that the

policy doesn't exclude work on commercial properties!

Does it cover use of mechanical plant; remember that cherry picker you hired, and while we're on the subject, have your employees been through the work at height training? Do you erect signs yourself or have self employed contractors fitting signs for you? These are known as 'Labour only sub-contractors'; despite being self-employed you are responsible for them!

Contract works, this covers the new work you have done and the materials you have on-site. Usually you can add hired-in plant to this section as an option. When you hire a piece of plant or equipment, whether it be a Kango or a Cherry picker, as soon as you take charge of that item, which includes 'over the counter' at the hire shop, you are responsible for it. That means that if it's damaged or stolen, YOU are responsible. But, you say, the hire shop covers all that. No, in fact usually not, you need to be certain! If they don't they will be expecting you or your insurers to pick up the tab! Think about that cherry picker you hired, you are responsible until the hire company collects it, so if they don't collect it overnight and it goes walkabout you are going to have to cough up the £20k or so! Check your conditions of hire!

Do you deal with Customers vehicles? Perhaps you think that you can drive your customers vehicles on your own private car policy (under the driving of other vehicles section). Alternatively you could have a motor trade policy that would entitle you to drive customers vehicles? What about your commercial vehicle cover or your fleet policy? No, no and no again, in fact none of these will entitle you to drive customers

vehicles correctly or legally!

There are of course many other risks that can be covered, the sign industry is diverse and, every business is different. You need to speak with someone who understands your business.

During my time in the insurance business it became obvious that there was no specific policy that would cover many of the risks associated with the sign sector. Sign World Magazine invited me to write this article based on the knowledge and research needed to create the SignElite policy. The product has many features, which would be very difficult to fully detail here, but there are a few areas critical to the sign industry. We recognise that tools are a big issue and so have automatically included these within the policy. We understand the importance of your dongle so when covering

computers this is included as well as other portable computers; we even cover you for reinstating the data and associated increased costs as standard. Interruption to your business at your business premises can easily be covered under any policy, but the SignElite policy goes further. If you can't fit your sign at your customer's premises because of an insured peril such as a fire or maybe you don't get to your premises at all due to an accident, both are interruptions to your business and covered as standard.

Research has shown that the companies may be concerned about leaving stock and materials at customers premises, the policy automatically covers this as well as tools away from your own premises. Hired-in plant can easily be added, it is not a standard inclusion as we let you tell us how

much you need to be insured for.

Vehicles have always been a problem, SignElite has recognised this and can be extended to include customer's vehicles at your premises both in the day and overnight. And, at last for all you vehicle graphics guys, the 'Need to drive customers vehicles' policy, this is unique, and it's an option under the terms of SignElite. You can collect and return your customers vehicles for them, you can drive them legally and you can even keep them in your premises overnight if the graphics haven't been completed, what an unbelievable USP for your business!"

If you are beginning to feel a little concerned about whether the policy you have really is right and fits what you do, call Steve's team on 0845 241 8550 or visit the website at www.signelite.co.uk