



## BUSINESS INSURANCE FOR SME OWNERS

### HOW MANY OF YOUR CLIENTS RUN SMEs (SMALL MEDIUM ENTERPRISES)?

The UK definition of SME is generally a small or medium sized enterprise with fewer than 250 employees. SMEs make up around 99.9 per cent of all UK businesses\*. Millions of people work in SMEs and they are a key driver of UK economic growth and sustainability.

It is highly likely that many of your clients fall within this category and will need and want to protect their SME with business insurance that can include property insurance and business interruption, professional indemnity and public, product and employers' liability insurance.

\*House of Commons Business Statistics Briefing Paper 22 January 2021

### DIFFERENT TYPES OF SME BUSINESS INSURANCE IN ONE POLICY

Our business insurance for SMEs can be tailored to suit all types of business. We cover sole traders, contractors, limited companies and limited liability partnerships. The level and type of cover will depend on the risks that the SME business faces. We adopt a flexible approach and build policies around the specific needs; including workplace injuries, digital threats and compensation for legal defence costs. Our core business insurance products include: public liability, employers' liability, professional indemnity and property insurance.

### PUBLIC LIABILITY COVER

All businesses - sole traders, partnerships, limited companies, clubs, and associations - are exposed to the potential allegations

of negligence and should have public liability insurance, if personal injury claims arise. The court awards and legal defence costs can be significant and can rise in serious accidents to many thousands of pounds, taking account of compensation, medical & long-term care. PL coverage is essential should people visit the business premises, or if work is carried out away elsewhere.

From high street retailers, hardware stores, restaurants, bakers, butchers and candlestick makers, no matter what the type of business, all have a need for public liability insurance. In addition to the risks of slips and trips on premises, there are the similar accidental damage and personal injury risks that are associated with the supply of products.

### EMPLOYERS' LIABILITY

If your clients employ anyone it's a legal requirement to have employers' liability insurance (sometimes referred to as EL insurance). This helps business owners to defend allegations of injury or illness caused to employees arising from their employment and will pay the compensation awards if the employer is found to be at fault. Employers' liability is not generally bought in isolation and typically it will be arranged along with Public and Product liability insurance.

### PROFESSIONAL INDEMNITY INSURANCE FOR YOUR SME

Professional Indemnity (PI) insurance protects small businesses against the cost of compensation claims arising from allegations of wrongful advice or a breach of their professional duties. The cost of defending claims can be significant, rising to many thousands of pounds, much higher if you are at fault and compensation awarded. Many professions including accountants and surveyors are required to have a policy in place to meet their professional institution and professional



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bodies membership requirements. Also, it is commonplace for a Main Contractor to require evidence of PI cover before awarding a contract. It's prudent to encourage your clients to check their principal's contractual terms and conditions.

If you have clients providing advice and services in any of the following professions, they are likely to need professional indemnity insurance:

- Management and business consultants including marketing, training and education consultants or IT contractors
- Designers – products, plans, architects, design engineers, web designers, graphic designers and interior designers
- Project Managers and other individuals or firms that work as a contractor, consultant, freelancer or self-employed professional on a contract that has PI as a mandatory requirement

Variable policy limits are available, with options from £100,000 up to £10 million with legal costs in addition plus a 24-hour legal advice helpline.

## PROPERTY INSURANCE FOR SMEs

If a client owns a property i.e. buildings and/or other assets such as computers, equipment machinery, plant, tools or stock and goods in trust, they will need cover to protect themselves should they become damaged or stolen. An SME business insurance policy can insure the property against loss of damage caused by fire and a range of perils such as lightning, storm, flood, malicious damage, escape of water and theft. The policy can be tailored to offer a range of liability covers in a single package, including protection for stock and contents, buildings and equipment. We can also include theft damage to buildings as well as accidental damage and subsidence.

## RECOGNISING AND APPLYING YOUR KNOWLEDGE:

Whether you have successfully found a mortgage for them, arranged their protection or help them with their investment portfolio, you know so many details about them<sup>1</sup> – their occupation, their investments, the income they receive from property portfolios. This key information is a great foundation for starting discussions about SME business insurance.

Your client will benefit from our expert professional advice and you will have confidence that you have introduced them to a safe pair of hands to a firm that will work with you and not against you.

## SETTING EXPECTATIONS AND DELIVERING

You can rely on us to deliver an extensive range of insurance services to your clients. We're not scared of complicated cover and never overcomplicate things. We make it easy for you;

### HERE'S HOW:

- **It's just a referral** – There is little to no effort required from you and more importantly we take on all the regulatory responsibility and issue all documentation.
- **Ease** – Simply refer your clients on our portal [www.towergatereferrals.co.uk](http://www.towergatereferrals.co.uk) and we give updates when we have quoted.
- **Commission** – We pay commission<sup>1</sup> to you for the life<sup>2</sup> of the policy. We issue all renewals and deal with mid-term adjustments.
- **We won't** cross sell any protection insurance – We don't offer it.

## OUR COVERS

Towergate Riskline offer a wide range of commercial and non-standard insurance. Covers include:

- Shops and Offices
- Self Employed Tradespeople
- Public liability and employers' liability
- Contractors Insurance
- Professional Indemnity
- Commercial Property Owners (including properties in a LTD company name)
- Property portfolios of any size

[For full list click here](#)

## WHO ARE WE?

Towergate is one of the leading insurance intermediaries in the UK who provide a specialist range of SME insurance products, designed for business and properties. Our team of dedicated advisors are highly trained and will handle your client's enquiries confidentially. We offer suitably priced products from a range of carefully selected insurers.

## FINDING OUT MORE

If you would like to find out more about how to **refer your clients**, visit our website [www.towergatereferrals.co.uk](http://www.towergatereferrals.co.uk)

<sup>1</sup> commission is paid on the premium net of Insurance Premium Tax at 12%,

<sup>2</sup> for as long as you are part of a regulated firm or network with a valid Towergate Terms of Business Agreement. The commission percentage may vary when policies requiring placement through a Lloyds broker or similar specialist market may differ



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