

Underinsurance

In focus - Motor Trade

What is underinsurance?

Underinsurance happens when you don't have enough insurance cover to meet your needs. If the stated value of your property and assets aren't correct, or the time it takes to get your business back up and running after a loss are underestimated, you could be underinsured.

It sounds pretty straight-forward and easy to avoid but with things like the cost of living crisis, labour shortages, supply chain issues and material costs rising globally, we are seeing a steady increase in the number of people and businesses being underinsured.

What are the main areas of concern for Motor Trade?



Cost of Replacing Your Stock, Workshop Equipment and Other

Contents - ensure you have an accurate idea of the current replacement cost of your assets and undertake a regular review of customers vehicles in your possession. It's really important this reflects the true maximum value of all vehicles in your possession at any one time.



Buildings Reinstatement Cost Assessment - We recommend that a professional assessment is carried out periodically to ensure that your Buildings Sum Insured (for a showroom or workshop for example) are adequate in the event of a claim. We can assist you in organising this and once completed, we will work with you to review your buildings insurance policies to make sure that you have the right level of protection in place.



Business Interruption - Be realistic about how long it could take your business to recover following a major claim. You'll need to consider factors such as rebuilding, site clearance, planning delays, and the time needed to regain lost customers who may have turned to competitors during this downtime. We're here to help you assess these risks in detail and determine an appropriate indemnity period.



What happens when you're underinsured?

The crux of it is that you leave yourself at real risk of having a significant shortfall to pay should you need to make a claim.

Jargon busting



Sum insured

The stated value of the item(s) covered in the policy

Period of indemnity

How long it will take you to get back to normal

Average clause

The percentage difference between your recommended total sum and the actual sum

Expert Insight

"When arranging insurance we often hear 'nothing has changed since last year', but in reality this is rarely the case. With soaring prices, it's especially important that your sums insured are adequate for replacement at the time of the loss."

Andy Vickers & Alex Dell, Client Manager - Commercial & Technology



Why choose Macbeth?

We'll be honest (because that's how we like to do business.) You can buy insurance from any insurance broker. But our business isn't really about insurance and finances; it's about people and relationships. We love getting to know you and your business, finding out what you need and making sure you get it. It's why so much of our business comes from referrals.

And, with over 30 years' experience under our belts, it's fair to say we know a bit or two about insurance.



WorkingFeedback★

Excellent from **741** reviews



I'm well aware that you need to trust your insurance provider. And I've always preached – and practised – open, honest business, conducted with integrity. Trust builds. This is how.

Paul Macbeth, CEO



What happens if I need to make a claim?

We're here for you when you need us most.

The way we see it, arranging insurance is only half the story. As a business that puts people first, there's no question that we're here to help should you ever need to make a claim. And it couldn't be easier. All you need to do is call your Client Manager at Macbeth, office or mobile, no matter what time. No need to dig around for your policy details.

Just explain what's happened and we'll take over from there.

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