

Allianz Insurance plc

# Wholesale and Retail

Proposition



Allianz 

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A survey by TCii found that wholesale and retailers reported an average 40% sales volume increase since 2015 and strong growth in 2016.<sup>1</sup>

## Wholesale and Retail Our Proposition

The wholesale and retail sector is evolving and will play a pivotal role in driving the UK economy forward. There are over 358,000 UK businesses in the sector, providing a total of 4.87 million jobs, making it the largest sector in the economy by employment.<sup>2</sup>

The scale and diversity of the sector means that it faces a variety of business pressures and is susceptible to both traditional and emerging risks.

As part of the Allianz Group – the world's largest property and casualty insurer – we have proven technical excellence within underwriting, risk control and claims, which means we understand the requirements and pressures of this sector. From this, we have developed a wholesale and retail insurance proposition tailored to address the unique needs of your clients.

<sup>1</sup> TCii report - UK retailers report strong sales growth in year to October 2016  
(<http://www.tcii.co.uk/2016/10/27/uk-retailers-report-strong-sales-growth-year-october-2016/>)

<sup>2</sup> Understanding Skills and Performance Challenges in the Wholesale and Retail Sector, 2014  
([https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/361790/Wholesale\\_and\\_retail\\_SLMI\\_Executive\\_Summary.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/361790/Wholesale_and_retail_SLMI_Executive_Summary.pdf))



In December 2015 it is estimated that adverse weather cost the UK economy over £1.5bn with many businesses hit hard.<sup>3</sup>

## Challenges Within The Wholesale and Retail Sector

Wholesalers and retailers face both new and traditional challenges, such as seasonal fluctuations of stock, an increased dependence on high value equipment and technology, as well as the responsibility for safeguarding their employees and customers.

### Health and Safety

Due to the frequency and volume of visitors and employees onsite, the wholesale and retail sector tends to be more susceptible to everyday injuries incurred from slips, trips and falls. Subsequently, there is a duty of care that includes ensuring a robust health and safety programme is in place to complement both employer's liability and public liability cover.

According to the Health and Safety Executive, there are over 1.6 million workplace accidents every year and more than half of all people who are injured at work take more than one day off as a result.

### Regulatory and Legislative Changes

Companies within the wholesale and retail sector are facing increasingly stringent rules and regulations. As a consequence, your clients are frequently looking for legal advice in fields such as tax and employment practice – without incurring expensive consultancy fees.

<sup>3</sup> BBC News article - UK Floods: Cost of Storms Eva and Desmond could top £1.5bn (<http://www.bbc.co.uk/news/business-35189179>)



The Brand Finance Global 500 Report states that, on average, 24% of a company's value is in their brand.



UK retail crime soared to £613m in 2016 – the highest level since records began – driven by sophisticated criminal gangs stealing luxury goods, such as designer clothing and hi-tech gadgets, to order.<sup>5</sup>

<sup>4</sup> An Allianz company - Euler Hermes Specialist Trade Credit Insurers

<sup>5</sup> The Guardian - Retail Industry news, February 2016 (<https://www.theguardian.com/business/2016/feb/01/cost-of-uk-retail-soars-to-a-record-613m>)

### Cash Flow

Late payment and supplier and customer defaults can leave your client's wholesale or retail business in a vulnerable position, unable to purchase new stock and struggling to pay essential overheads, such as wages and rent. Purchasing adequate credit insurance will safeguard your client's business against the failure of their customers to pay their trade credit debts.

On average 40% of a company's assets are in the form of trade debts and close to 50% of all payment defaults arise from vendors with whom stable and long-term relationships have been established.<sup>4</sup>

### Supply Chain Failure

Wholesale and retail businesses may rely on multiple direct and indirect suppliers to keep their trade flowing. In recent years, with an uncertain financial climate, supply chain management has become a critical feature when considering the risks to business continuity. By conducting a regular supply chain assessment, as part of their risk management programme, your clients can minimise disruption to their business.

### Damage to Reputation and Brand

Your client's reputation is one of their most valuable business assets. With the rise of social media, market issues - such as the horse meat scandal - can severely damage a business's reputation and lead to a loss of customer confidence and share value.

A comprehensive crisis management programme, including appropriate communication and press management after an event, can help to safeguard a company's reputation and brand.

### Security

Wholesalers and retailers are often on the frontline when it comes to crimes such as theft, robbery and arson. In addition, the growth in online sales has led to many companies becoming more reliant on computerised systems, increasing their cyber risks. Cyber liability cover provides protection against such risks and is now as important as traditional theft cover.

## Tailored Cover

For wholesale and retail clients with a combined property and casualty premium of £5,000 – £100,000, we have extended our Commercial Select product by automatically including a range of cover extensions designed to meet the needs of this sector – all free of charge.



Joanne Stephens, Regional Underwriting Manager, Allianz Insurance plc

### Joanne Stephens – Our Wholesale and Retail Underwriting Expert

Joanne has worked in the insurance industry for over 25 years and has been in her current role as regional underwriting manager since November 2013. She is CII qualified and has experience dealing with a range of wholesale and retail businesses, from small retail risks to larger multi-national chains.

“Businesses nowadays are tending to look for suppliers further afield and, as a consequence, the risks to their supply chains need to be considered. In addition, wholesalers and retailers are increasingly affected by severe weather, such as storms and floods, causing damage to their property and interrupting their ability to trade. Allianz has adapted its mid-corporate proposition to address new market realities, offering solutions for both traditional and emerging risks within the wholesale and retail sector.”

The cover extensions listed are operative if the relevant section is selected.

### Material Damage

We offer a choice of covers for buildings, contents and stock on an All Risks or Events basis.

In addition, the following cover extensions will automatically be added free of charge:

- 25% seasonal increase in stock sum insured over the months of November, December and January.
- Exhibition cover – £25,000 limit within the EU (FEA only).

### Business Interruption

We offer cover for protection against interruption to your client’s business, following an insured loss under the Material Damage section which results in reduced earnings on a gross profit or revenue basis, featuring a standard 12 month indemnity period with an option to increase.

In addition, the following cover extensions will be automatically included free of charge:

- Unnamed suppliers within the EU up to a limit of £100,000 (FEA only).
- Unnamed customers within the EU up to a limit of £100,000 (FEA only).

### Goods in Transit

Covers your client’s good for either loss or damage whilst in transit.

The following cover extension will automatically be included free of charge:

- Protection for own goods in own vehicles – £5,000 limit per vehicle, up to five vehicles.

### Employer’s Liability

Cover to meet the compulsory legislative requirements to a standard £10,000,000 limit of indemnity, with the option to increase up to £25,000,000.

In addition, the following extension is automatically included free of charge:

- Personal Accident cover – benefits of up to £10,000 paid for an accidental bodily injury incurred at work resulting in death or disablement.

### Public Liability and Products Liability

Protection for liabilities to visitors or customers using your client’s premises or goods sold. Typical limits of indemnity are £2,000,000-£5,000,000 with potential to increase up to £25,000,000.

In addition, the following extension is automatically included free of charge:

- Liability for the spread of Legionella bacteria – up to £1,000,000 limit of indemnity.



## Other Ways We Can Help

Additional covers are available as optional sections within our Wholesale and Retail proposition.

### Directors & Officers\*

Our Directors & Officers insurance offers personal liability cover for company directors, officers and managers to protect them from claims that may arise from the decisions and actions taken within the scope of their regular duties. It covers the personal liability of company directors and officers as individuals, but also the reimbursement of the insured company in case it has to pay the claims of a third party on behalf of the directors.

### Computer\*

Innovation and technology underpin many UK wholesalers and retailers; as such, there is an increased reliance on computerised equipment. Our Computer section offers all risks cover, for the loss, theft, damage or breakdown of computers and supporting equipment.

### Full Business Travel\*

Worldwide medical emergency travel expenses, baggage, money and cancellation cover for a single trip or multiple trips.

### All Machinery\*

Provides cover for the cost of repair or replacement of machinery, such as forklift trucks and handling equipment, in the event of a breakdown or some other form of loss or damage.

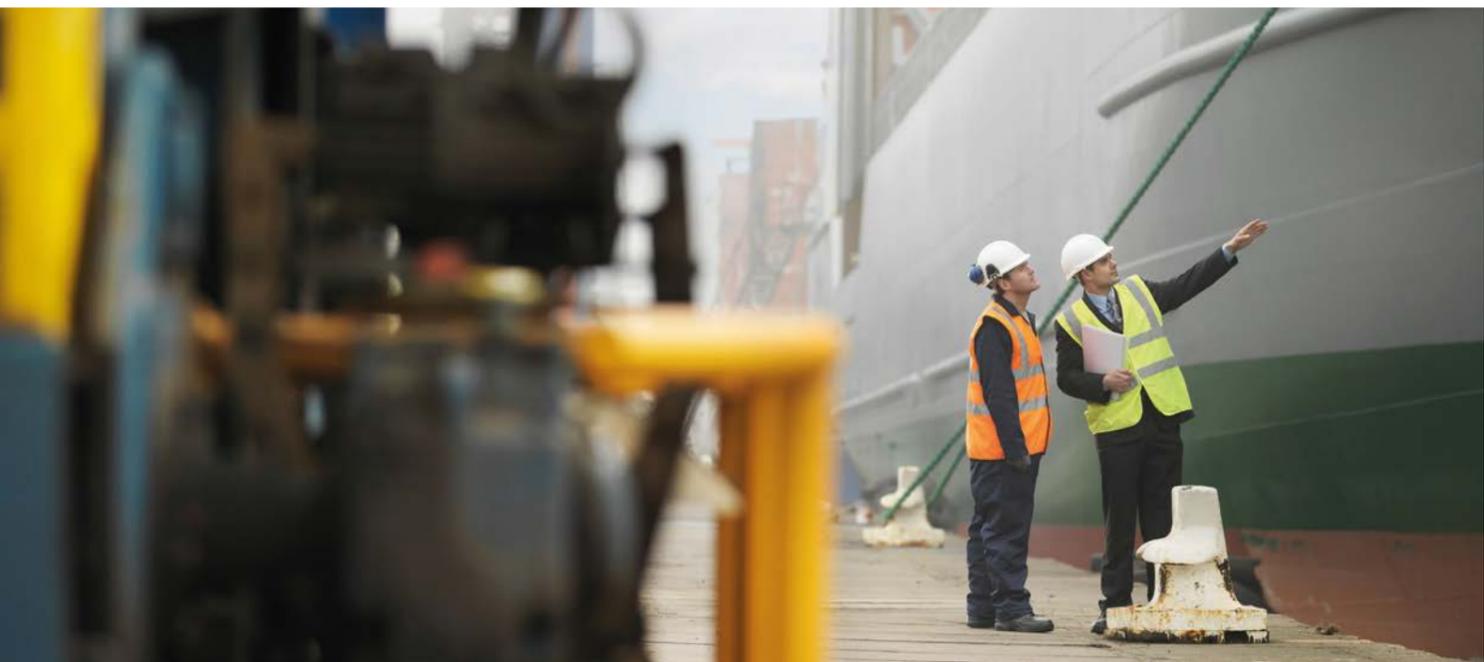
### Machinery Business Interruption\*

Provides protection against financial losses arising from unforeseen damage to machinery.

### Full Personal Accident\*

Personal Accident insurance provides a financial benefit (up to £2,000,000 for any one life) to your client should an employee suffer a bodily injury or die as a result of an accident.

**\*A one-off introductory discount off the Property and Casualty sections is available if your client purchases these covers at point-of-sale. This discount cannot be more than the total value of the additional cover.**



The following additional covers are available from Allianz Insurance plc or the wider Allianz Group.

### Fleet

Our Motor Fleet solution is designed to give wholesale and retail businesses total protection and control over their fleet operations.

### Marine Cargo\*

Provides cover against loss or damage to goods whilst being transported worldwide by road, rail, sea or air. It can also cover the goods whilst held in storage within the UK. Any business that imports or exports are likely to have a need for Marine Cargo insurance, as it goes above and beyond the cover typically provided under goods in transit insurance.

### Cyber Protect\*

Cyber Protect provides comprehensive cover to ensure that your client's wholesale or retail business is protected in the event of a data loss or cyber security incident.

### Reputation Protect (Brand Protection)\*

A crisis management service providing protection and defence of a company's brand and reputation by offering rapid PR consultancy in order to reduce the impact of negative press.

### Trade Credit\*\*

Protects against the failure of your client's customers to pay their trade credit debts as a result of that customer becoming insolvent or failing to pay within agreed terms and conditions (i.e. protracted default).

For a full list of additional cover options, please contact your local Allianz representative.

**\* These covers are available via Allianz Global Corporate & Specialty, a sister company of Allianz Insurance plc.**

**\*\* This cover is available via Euler Hermes, a sister company of Allianz Insurance plc. Please contact your local Allianz representative for a quote. Full terms and conditions apply.**

## Additional Services

Securing business in the mid-corporate premium bracket can be tough, especially when you need something extra to impress your clients and get that new business over the line or hold on to an important case.

When your client has a Wholesale and Retail or any other Allianz mid-corporate policy, they will have automatic access to the following additional services:

- **FREE ten minute consultancy** – on how to strengthen online/system security provided by data loss prevention experts at IntelliSecure.
- **FREE Disaster Recovery Protection** – which can help your clients get back up and running in the event of an incident leaving their insured premises unfit for on-going occupation. Within 48 hours, we can source alternative office space and set up phones and internet connections to local networks, enabling your clients to concentrate on resuming their business.
- **FREE business helpline** – advice for your clients on health and safety and business continuity matters via Actionline. Tel: 0344 873 0244.

### Preferred Suppliers

We work with an extensive network of renowned service providers, who supply **discounted** services to help mitigate against new and traditional risks faced by wholesalers and retailers.

- **Allianz Engineering Inspection** – plant and machinery inspection services in line with periodical regulatory requirements.
- **Allianz Specialist Inspection Services** – one-off inspections coupled with bespoke consultation in fields such as electrical testing, energy and environmental services.
- occupational health and safety audits for which we can offer an exclusive 10-15% discount, depending on the inspected item.

### We also work with:

- **Arco** – suppliers of personal protective and safety equipment.
- **Glen Abbot** – business continuity planning, supply chain assessment and crisis management support.
- **Graydon UK** – commercial credit checking database.
- **Hilti GB Ltd** – passive fire protection.
- **Insafe** – supplier of safes, security cabinets, vaults and strong rooms.
- **Praxis42** – online display screen self-assessments (in line with office health and safety requirements).
- **Securikey** – secure documentation cabinets.
- **Storage Equipment Safety Service** – racking and shelving safety services.
- **Total Flood Solutions** – flood protection solutions.
- **Vero** – pre-employment screening services.

**Using a solicitor or other specialist to help prepare legal documents is expensive. Here is what our research found:**

- Compromise agreement £621
- Consultancy agreement £425
- Employee handbook £804
- Employment agreement £408
- Employment statement £143
- Non-disclosure agreement £295
- Partnership agreement £751
- Shareholder agreement £869
- Terms and conditions for website £613

**Total cost £4,929\***

\* Research conducted between April 2014 and September 2015 by MyLawyer Solicitors LLP. Cost savings calculated by mystery shopping law firms in seven major UK regions, for comparable documents to those offered on this website. Costs shown exclude VAT.

## Allianz Legal Services

Designed for customers with Allianz Legal Expenses cover in place, Allianz Legal Services provides free legal and business tax advice, as well as a range of free and discounted legal services.

These additional benefits can help to remove the legal worry of running a business, support your customers in fulfilling their compliance requirements and help them avoid costly legal fees, such as those associated with employment tribunals and health and safety fines.

### CLICK Legal

Allianz Legal Online allows your customers to personally check and update their legal documentation, saving them costly solicitor's fees. Our website includes:

- **a free legal health check** – an online questionnaire which identifies legal risks and gaps within your customer's legal documentation.
- **over 140 legal templates** – your customers can save time and money in preparing complex, legally binding contracts and policies online.
- **safe storage of legal contracts** – legal documents can be safely stored and edited online.
- **an easy to use law guide** – written by lawyers, our guide helps your customers to understand legal processes and requirements.
- **monthly legal bulletin** – your customers can stay up-to-date with employment and health and safety legislation.

[www.allianzlegal.co.uk](http://www.allianzlegal.co.uk)

### TALK Legal

We have a range of telephone advice lines to help your customers with their legal and tax issues:

- **Allianz Lawphone** – a free 24/7/365 legal advice helpline. Our solicitors can provide advice on ANY legal matter.
- **free business tax advice** – provided by Abbey Tax.
- **discounted undisputed debt recovery service** – legal action for undisputed debts over £250, provided by our specialist commercial solicitors, DWF LLP (15% discount).
- **discounted solicitor employment support** – DWF LLP can assist with a redundancy programme or provide guidance on pursuing an internal disciplinary (15% discount).
- **discounted uninsured legal action** – DWF LLP can take action on behalf of your customers for any commercial matter not covered by their Allianz Legal Expenses policy (15% discount).
- **discounted crisis communication service** – DWF LLP can provide your customers with best practice advice on crisis communications.



For more information on how to access Allianz Legal Services, visit [www.allianzbroker.co.uk](http://www.allianzbroker.co.uk)

### Steve Pike – Our Wholesale and Retail Risk Management Expert

Steve has over 40 years of experience within the insurance industry, starting out in underwriting; he has spent the last 29 years in surveying and risk management roles. During this time, he has surveyed a variety of wholesale and retail risks – from high street shops to some of the largest warehouses in the UK. He has been Property Risk Control Technical Lead for Allianz since 2013 and is ACII qualified, and holds the NEBOSH General Certificate.



Steve Pike, Property Risk Control Technical Lead, Allianz Insurance plc



## Risk Management Expertise

Our risk control team spans the entire country, so no matter where your client is based, our surveyors are on hand. Our expertise within the general manufacturing sector means we can tailor our services to meet your client’s unique needs.

[www.riskdirector.co.uk](http://www.riskdirector.co.uk)

Risk Director, our free online risk management service, has a dedicated Wholesale and Retail portal featuring:

- Risk management advice – hints and tips on how to minimise exposure to key risks impacting this sector, such as employee fraud and cyber-attacks.
- Sector specific news and regulation updates aimed at you and your clients.
- A full list of our specialist preferred suppliers offering risk management solutions relevant to this sector.
- Access to our sector specific health and safety toolkit, allowing your clients to assemble their own health and safety programme.
- Our sector specific business continuity planning guide which allows clients to prepare their own business continuity plan in-house, saving them costly fees.
- ‘Ask the Expert’ functionality – access to our in-house Wholesale and Retail experts.



We also issue a sector specific risk management guide with the policy documentation. This provides detailed advice on how to mitigate exposure to typical risks in the wholesale and retail sector.

## Claims

When your wholesale and retail client makes a claim, they need an insurance provider that understands their loss and will be there at the crucial moments, providing them with the necessary help to get them trading again as quickly as possible.

We're confident that our claims service will give your clients the reassurance and help that they require at the times when they need it the most.

We will provide your client with:

- **A dedicated claims handler** – a dedicated, UK based, expert claims handler will be appointed to manage your client's claim.
- **Out of hours helpline** – we know that accidents don't always happen during the working day, which is why our experts are available 24/7.
- **Claims analysis** – we can provide your clients with data to show trends in their claims and help identify the appropriate risk management solutions.
- **Fraud prevention** – the work carried out by our anti-fraud team can help to keep claims costs down, a benefit which we can then pass on to your clients.
- **Expert legal advice** – we work with a panel of sector specific solicitors to help defend claims.

In addition, we have specialist claims teams to manage certain losses:

- **Dedicated risk teams** – expert teams specialising in property and liability claims.
- **Major Loss Team** – who have expertise in dealing with claims worth over £100,000.

Each member of our Major Loss Team manages a small portfolio of claims, allowing them to gain a deep understanding of each case and forge solid relationships with the parties involved. Expertise

and empathy is central to our approach. Regular communication, as well as face-to-face meetings, help us gain a better understanding of both your client's and claimant's needs. Where appropriate, claims assessments are enhanced by conducting accident reconstructions.

- **Disease Claims Team** – we have an in-house team of specialists which deal with all types of occupational disease and conditions, such as stress, harassment and upper limb disorders.
- **Rehabilitation Team** – a team of clinically qualified professionals, including registered nurses, physiotherapists and occupational therapists, which will assess a claimant's needs, and if appropriate will activate a tailored rehabilitation and counselling programme.
- **Employable** – is a rehabilitation service that can be purchased at point-of-sale and activated when your client needs it. It aims to get your client's injured employees back to full health and able to return to work, irrespective of establishing liability.
- **Allianz Claims Inspectors** – our claims field force's priority is to understand your client's business. The success of the team is down to its ability to build strong long-term relationships with your client's Health and Safety Manager. By doing so, our inspectors can help to identify trends in the claims reported and make recommendations for ways to mitigate the effect of the claims. As well as liaising with our Risk Management Team, so your client can take the appropriate risk management action.



Jim Robins, Technical Claims Manager, Allianz Insurance plc

### Jim Robins – Our Wholesale and Retail Claims Expert

Before joining Allianz Insurance plc, Jim spent many years as a Complex Loss Specialist at Cunningham Lindsey, dealing with high value and complex liability claims. His areas of expertise are employer's liability, public liability (both property damage and injury) and products liability. He also has in-depth knowledge in environmental and disease claims.

"The Department of Trade and Industry tells us that the majority of wholesale and retail companies that have experienced the effects of a major catastrophe subsequently went out of business. More often than not this is due to a lack of recovery planning.

At Allianz Insurance plc, we find this unacceptable. Our primary focus is on returning your clients to the position they were in prior to their loss as quickly as possible. We will investigate and settle their claims swiftly and economically through our proactive claims handling culture, which focuses on maximising every contact and reducing the number of unnecessary touch points."



# Our Risk Appetite for Wholesale and Retail

We recognise that every client is unique. However, in general our risk appetite is for businesses that are established and have a sound approach to risk management.

Your clients can demonstrate this by:

- Placing a high importance on keeping abreast of current legislation and trade issues.
- Having a proactive approach to the reporting of risk issues.
- Being well established and financially stable.
- Seeking long-term relationships with their broker and insurer.

## Property Risks

Our preference is for businesses that operate from fixed premises which are:

- Purpose-built or suitably converted, and in a good state of repair.
- Located in a low crime area.
- Located in an area free from obvious flood hazards.
- Appropriately protected against fire, explosion and unlawful access.



## Casualty Risks

Although the property risks in this sector often have the most obvious exposures, the casualty elements also need consideration. We prefer businesses which:

- Take a proactive approach to health and safety and environmental risk control.
- Control the movement of vehicles around yards and warehouses.
- Take precautions for use of heavy machinery or hazardous substances.
- Have an appreciation of the legal and regulatory climate.



# Key Wholesale and Retail Trades We're Focusing On

Our Wholesale and Retail proposition extends over a wide range of services and covers a variety of businesses including:

- Mineral Water and Soft Drinks.
- Wine, Spirits and Beer.
- Coffee and Tea.
- Electrical Goods.
- Bottles and Glass.
- Ceramic and China.
- Stationery and Books.
- Confectionery and Newsagents.\*
- Bakeries.\*
- DIY.
- Department Stores.\*
- Supermarkets.\*

\* Retail only.

Wherever possible we would encourage you to detail in your presentation the:

- Nature of processes undertaken, especially if they may differ from the trade norms.
- Nature of equipment present and the extent of any automation.
- Actual goods sold and the source of any imports or destinations of any exports.



## Why Allianz?

Allianz Insurance plc is one of the largest general insurers in the UK and part of the Allianz Group, the largest property and casualty insurer in the world. We are financially strong, with an AA- Standard & Poor's rating. With over 100 years of experience, we're confident we know our business and have the technical expertise to ensure your clients get the cover they need, tailored risk management advice and a claims service that's committed to getting them back in business as quickly as possible.

If you would like to know more about our Wholesale and Retail proposition, contact your local Allianz representative.

# Notes

# Notes

[www.allianz.co.uk](http://www.allianz.co.uk)

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Registered office: 57 Ladymead, Guildford, Surrey GU1 1DB, United Kingdom.  
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Financial Services Register number 121849.



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