



# WINTER READY

**RISING WATERS  
& DESCENDING  
PREMIUMS**

**IT'S TIME TO  
DIVERSIFY**

**ARE YOU  
UNDER-INSURED?**



## Definition of Cadre

'kɑ:də, 'kɑ:dr(ə)

### **noun**

noun: cadre; plural noun: cadres

A small group of people specially trained for a particular purpose or profession.

Cadre is for everyone.

Our primary objective is making sure you know everything we do about the shifting landscape of insurance.

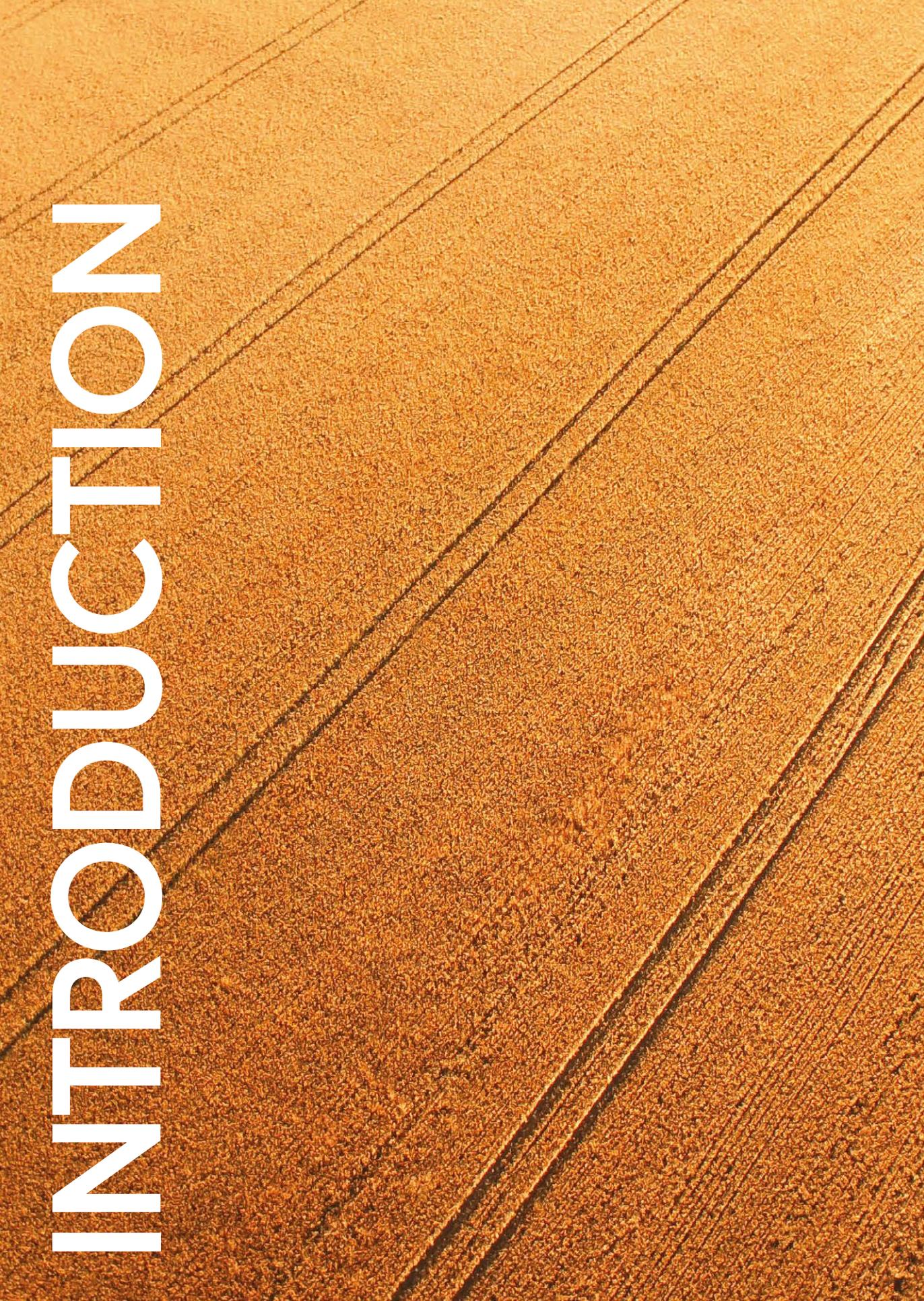
We want to know if we can help you in any way, shape or form. So if you have a question please email or call us.

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# INTRODUCTION

The background of the slide is an aerial photograph of a vast, flat, orange-brown landscape, likely a salt flat or desert. Several parallel tracks or roads curve across the terrain, creating a sense of depth and perspective. The overall color palette is warm and monochromatic, dominated by shades of orange, tan, and brown.



Welcome to the first edition of Cadre, the new magazine from R K Harrison.

The purpose of Cadre is to provide our clients with in depth advice and information on many topics spanning the rural industry that may be affecting you or may help your plans for the future.

The rural sector is constantly evolving, and staying ahead of these changes is critical for your business, particularly when it comes to managing risk.

I hope you find the magazine both interesting and informative. Please do share with us any topics you would like us to cover in future editions.

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# RISING WATERS & DESCENDING PREMIUMS

Flood Re – What it means for  
your home insurance



**In the UK over 5.2 million domestic properties are at risk of flooding. The problem is growing and climate change means that within the next 20 years half a million more homes will be at a significant risk of flooding\*.**

Out of the current 5.2 million homes, 2.4 million are at risk from river or coastal flooding and 3.8 million from surface water flooding.

With effect from the 4th April 2016, the government and Association of British Insurers have responded by setting up Flood Re, a not-for-profit organisation, which should make domestic flood insurance available and more affordable for home owners. The scheme will be available for a period of 25 years.

An annual levy will be paid by all insurers authorised to write home insurance in the UK and is set at £180 million per year for the first 5 years. This will be charged based on each insurer's market share. Insurers are likely to pass this levy on to customers in the form of a rate increase of around 2% to 5%.

Customers will continue to buy their home insurance and make any flood claims in the normal way. Although Flood Re will not be responsible for setting prices for home insurance, the objective is that, due to its existence, the number of affordable home insurance options that are now available for households at risk of flooding will significantly increase.

# WHO IS AFFECTED?



## Which properties will be eligible for Flood Re?

Properties insured in the name  
of individuals

Properties built prior to 1st  
January 2009

Residential properties only –  
including holiday homes and  
second homes

Properties occupied by the  
owner or their immediate family

Located in the UK – (Channel  
Islands and Isle of Man are  
excluded)

Tenant's contents in domestic  
rental properties



## Which properties are excluded from the scheme?

Building insurance for blocks  
of flats consisting of more than  
three units

Risks outside of England, Wales,  
Scotland and Northern Ireland

Fine art (items or collections)  
over £25,000

Policies issued in a company  
name

Properties built after 2009

Let properties

Commercially used outbuilding

Property damage caused by flooding is one of the most disruptive experiences a home owner can face. Having a comprehensive home insurance policy will alleviate some of the costs of the damage caused to your home and personal belongings.



### **How can we help?**

If you would like to discuss your flood risk management needs further, please contact R K Harrison or for more information visit [www.floodre.co.uk](http://www.floodre.co.uk)



# WINTER WEATHER? WHATEVER.

Prepare yourself for winter and make a difference to your stress levels.



Essential checklists to keep you, your home  
and your vehicle safe in winter weather



# With winter weather warnings being issued in recent weeks and with more to come, here are some tips for keeping safe and warm.

## In the House:

- Ensure you have had your boiler serviced, and your central heating and gas fires checked for safety by a registered Gas Safe professional.
- Set your central heating to 10°C minimum to prevent frozen pipes.
- Check that your loft and any pipes in it are properly insulated.
- Add draft excluders or weather stripping to doors and windows.
- Have the chimneys swept if you use an open fire. Reduce the risk of chimney fires by only burning completely dry wood.
- Make sure everybody knows where the mains water tap is.
- Keep handy contact details of a trusted local plumber, heating engineer and electrician in case of an emergency. Having numbers for a selection of reliable tradesmen on your mobile is always handy.
- Keep some spare buckets easily accessible. Make sure everybody knows where they are, so whoever discovers the leak can start dealing with it straight away.

## Preparing your garden or land:

- If a storm or high winds are forecast ensure you shut away anything that could become a danger in strong winds.
- Remove low-hanging branches that could cause damage with strong winds.
- Check that external light fittings, doors and gates are secure.
- Grit paths and roadways on your property.
- Make sure all outside water taps are lagged, to prevent freezing and bursting.
- Check your roof for broken tiles or cracks in the chimney.
- Ensure gutters and drainpipes are clear of leaves and debris.

# Travelling in winter weather

A high number of winter weather accidents are auto related and with UK weather so unpredictable, it is vital to ensure you are winter ready when on the road.

Whilst it's best to avoid travelling when it's snowing or icy, it's not always possible so below are tips on how to keep your vehicle running and to keep you safe whilst in the vehicle.

## How to prepare and keep your vehicle running:

- **Snow chains:** depending on the terrain you will cover.
- **Tyres:** check the tyres have the correct air pressure and there is a minimum 3mm tread all round (Consider buying winter tyres if possible).
- **Battery:** take regular journeys to keep the battery from draining in the cold.
- **Window Screen:** keep your screen wash topped up. Do not use hot water to de-ice screens, instead use a de-ice solution to clear all windows before driving.
- **Locks:** keep locks from freezing by using some WD40 on them.

## Things to keep in your vehicle in the winter:

- Torch and spare batteries.
- Reflective triangle (also carry distress flares if you drive in remote areas).
- First aid kit.
- Ice scraper, de-icer spray, snow brush and shovel.
- Matches, wrapped to exclude dampness, and a good penknife or scissors.
- Warm clothing, gloves, blankets and wellingtons.
- Bottled water as well as other non-perishable food.
- Jump leads and tow rope.
- A portable mobile phone charging pack.

## Driving in snow and ice:

- **Avoid wheel spin:** set off in second gear, easing your foot off the clutch gently.
- **Visibility:** if reduced due to fog or low light levels, use dipped headlights at all times. You may need sunglasses if the sun is low in the sky or reflecting off snow.
- **Gentle manoeuvres:** avoid harsh braking and acceleration, or sharp steering. If the surface is slippery, reduce your speed in plenty of time particularly around bends and corners.
- **Reduce speed:** chances of skidding are much greater and your stopping distance will increase massively when driving at normal speeds. Speed limits are the maximum in ideal conditions; in difficult conditions, they can often be too fast.
- **Increase braking distance:** braking on an icy or snow-covered bend is extremely dangerous and could cause your vehicle to spin. To brake on ice and snow without locking your wheels, get into a low gear earlier than normal, allow your speed to fall and use your brakes gently.
- **Keep your distance:** increase the gap between you and the vehicle in front. You may need up to **ten times** the normal distance for braking.



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# CLEAR



# AS DAY

Are you aware of the Insurance Act?

On 12th August, 2016 legal changes were introduced to business insurance and with so many different businesses supporting the rural economy, it is important that owners understand these changes and what it means to them.

## What is the Insurance Act?

**It is new legislation designed to make positive changes to insurance contracts by:**

- Creating more transparency and improving the exchange of information between the insurer and insured (policyholder).
- Reducing the number of disputes and claims rejected, therefore saving legal costs and avoiding disruption to the insured's business.
- Increasing confidence in the insurance sector

## Disclosure - Fair presentation of risk

The previous law required the policyholder to disclose all material information relevant to the risk which would influence an insurer in assessing it. This was deemed slightly unfair on the policyholder as non-disclosure allowed the insurer to sometimes treat the policy as if it didn't exist. The new Act addresses that imbalance by asking the policyholder to make a 'fair presentation of risk' disclosing information they know about the risk and providing enough information to enable the insurer to ask more questions if required.

The new legislation also means that other staff within a policy holder's firm may be required to provide information if they play a significant role in decisions about how that company's activities are managed or organised.

## Remedies, changes to warranties and other terms

The Act aims to make terms within contracts fairer, more transparent and consequently the implications of breaching the terms of the policy, more understandable to Clients

The Act prohibits all Basis of Contract clauses, therefore any provision in a proposal form or wording which aims to turn any answers provided by the Client into a warranty are unenforceable.

The Act aims to ensure that terms which are applied in order to mitigate a specific risk will only affect the payment of a claim if the breach of that term was relevant to the actual loss. For example a theft claim lodged as a result of a break-in through the roof cannot be prejudiced by breach of a term related to ground floor window locks, as that breach was unrelated to the event.

The Act also ensures that warranties can only absolve the Insurer of any liability until such point the breach is remedied, if it can be remedied e.g. if a Client breaches a warranty that an alarm must be inspected every six months, that breach will be remedied if the system is inspected after seven months, therefore coverage would only be suspended for one month.

## How does the new Act impact claims?

The Act only refers to fraudulent claims and now clarifies the law around them.

## Opting out of the new Act?

Insurers can contract out of the Act. However, if they do so, insurers are required to take sufficient steps to bring such "contracting out clauses" to the policyholder's attention, and the clauses must be written in clear terms.

## Summary

Any new legislation invariably takes time to bed down and for the full implications to be understood. The new Act is a positive move to shift burdens previously on the policyholder towards insurers. However, the policyholder still needs to provide the right information in a timely manner. Here are some useful tips:

- Ask an expert. Insurance brokers are here to help your business comply with the new legislation and find the right protection.
- Allow plenty of time to gather all of the relevant information you need as you come up to the renewal date for your insurance.
- Think about “unique or unusual” features of your business
- Present details in a clear, concise and accessible manner
- Think about who else you need to approach to obtain the correct information: – employees, managers, accountant, suppliers
- Monitor changes to your risk during the policy period as this could affect your insurance needs

# THE OGDEN UPDATE



One big story that rumbled throughout spring and summer might have passed a lot of people by. But they'd certainly have noticed it come insurance renewal time...



The Ogden Tables are a set of statistical tables used in court cases. Their full name is "Actuarial Tables with explanatory notes for use in Personal Injury and Fatal Accident Cases" but as that is quite a mouthful, they are mainly referred to by the surname of the QC who first drafted them, Sir Michael Ogden.

## **How the Ogden Tables affect insurance pay-outs**

The main purpose of the Ogden tables is to calculate the future value of any lump sum pay-out, in alignment with the claimant's life expectancy. From this, we can get an indication of the level of funding needed to support an individual who has been in a serious accident – a key calculation in insurance claims.

Traditionally, the Ogden Tables assumed a sum would earn interest at a rate of 2.5%, which would add value to the sum over time.

## **The massive effect of cutting the rate**

Early in 2017, the Lord Chancellor announced a change to the tables. The so-called 'discount rate' would be reduced to -0.75%. This was intended to reflect the long period of low inflation since the global financial crisis – with such low levels of inflation, the sorts of low risk investment vehicles that recipients of lump sum insurance pay-outs took out were not considered to be delivering enough value long term.

Thus the Lord Chancellor decreed that initial lump sums of pay-outs would have to rise, in many cases by over 100%.

For example, a car accident that severely injured a 7 year old would have triggered a pay-out of £13m under the old rates. The new calculation came out at £28m.

This of course, would mean rise in premiums. Some commentators predicted additional costs to motorists of 10-20%

## **The reaction**

Predictably, insurance companies protested. A key argument was that the Ogden Tables did not reflect how people really invest.

The old Ogden rate was linked to Index Linked Government Securities (ILGS), often bonds whose returns track the consumer price index. With the Consumer Price Index fairly flat for a number of years, the expected returns of ILGS tracked vehicles is low in comparison to investors' other options.

In reality, claimants can and do invest in a low risk, mixed portfolio that yields higher average returns than ILGS.

## **The consequence**

In October, the government backtracked on the initial rate cut and proposed a more modest 0-1%.

David Lidington, Lord Chancellor and Justice Secretary, said: The reforms would see the discount rate better reflect how claimants actually invest their compensation in reality and will provide a sound basis for setting the rate in the future."

The new-new rate is expected to take several months to come into effect. For now, personal injury claims will be processed on the -0.75 rate.

The Association of British Insurers (ABI) said: "This is a welcome reform proposal to deliver a personal injury discount rate that is fairer for claimants, customers, and taxpayers alike.

However, Dr Matthew Connell, director of policy and public relations at the Chartered Insurance Institute issued a more cautious response.

"Calculating the rate according to the way in which personal injury claims are invested in real life will produce a fairer outcome," he said.

"In the longer term, we should look at a more radical reform of the personal injury system."



# IT'S TIME TO DIVERSIFY

What UK farms should consider when looking to diversify their business.

The world of farming is changing rapidly with more and more rural businesses looking to diversity to survive.



At least half of all UK farms and estates already use some form of diversified activity to add to their income, according to The Department for Environment, Food and Rural Affairs (DEFRA).

But that figure is certain to rise in the coming year as economic changes and supermarket bulk-buying continue to squeeze profits from traditional farming.

As well as increased income, other benefits of diversification may include making better use of a farm's physical resources, finding new use for existing skills and integrating a farm into the local rural economy.

Taking the first steps can be daunting, however – especially as a large percentage of farms are family-based small and medium sized enterprises. Owners and tenants may, for instance, have little or no experience outside their core business activities.

For that reason careful planning is essential. DEFRA warns farm diversification is not guaranteed to boost business and can be a complex process – but also reports that diversified activity can bring in an average of £10,400 a year.

#### **The first steps are to:**

- Identify why you want to diversify
- Understand what implications it will have on your time and how it will affect core farm business activities
- Work out how much the new business will cost to set up
- Analyse how profitable it will be
- Consider how to market it
- Consider legal requirements such as tax and national insurance
- Think carefully early on about what insurance will be required and what protection is available

Areas of business traditionally considered by farms looking to diversify include evolving an area of their land to become a tourist attraction, selling produce from a farm shop, opening up land for camping or bed and breakfast, opening facilities for craft making and retailing or using land for energy generation.

Others have even closed their original business and started an alternative one on the same land, although this will almost certainly require planning permission. By contrast, farms which use agricultural land or buildings for agricultural purposes – the definition can be quite wide under 'permitted development rights' - may be able to do so without having to apply for permission.

The key is to seek advice from professional advisers as soon as possible. Approaching an insurance broker early in the process, for instance, can help determine what types of business are feasible and how much protection is available.

**There are numerous things to consider. The below is not an exhaustive list by any means, but it gives an overview of what to discuss with your broker.**

If you need to take on new staff, are they covered by Employers' Liability insurance?

Are all business activities insured for public or products liability?

Are all revenue streams insured in the event of a material loss?

Are all health and safety requirements met?

Have you purchased any equipment for new projects - do they need engineering inspection insurance?

If you plan to add equipment for paying guests remember to advise insurers.

# HOW IS YOUR COVER?

Are you under-insured?



For most of us, our home is our biggest asset, so it makes sense to ensure it is properly insured. The same applies to businesses – farms, estates, indeed any commercial building needs to have the right cover.

It sounds obvious but according to research by Barrett Corp & Harrington, Chartered Surveyors with expertise across the rural sector, more than 75% of all properties are only covered for around half the amount they should be.

Under-insurance is a common problem in household insurance but can equally arise in farms or estates and the consequences can be catastrophic for individuals or businesses.

#### **How we can help**

Your choice of insurance is likely to be based on a number of factors – price, coverage or service for example. Getting the right sums insured is often complex and values can change quickly. A specialist broker can help you navigate the process to get insurance that protects you from risk at a competitive price. A broker is independent and depending on the product you require, can access different insurers to secure the most favourable terms on your behalf.

There are other specialists involved in the process, such as Chartered Surveyors, who carry out detailed assessments before valuing a property. Martyn Barret of Barrett Corp & Harrington adds, "The use of average prices to calculate insurance values can lead to significant shortfalls in cover. After all, most buildings are not 'average' and there is always something which will distinguish them".

### **Ways to spot potential under-insurance.**

- A mortgage valuation is a MORTGAGE valuation and NOT a bespoke insurance valuation.
- The market value is the MARKET value and the insurance value is totally unrelated.
- Buildings are listed because they are of special architectural or historic interest. If there's a fire or other loss, special permission from planning authorities and agencies will be needed for rebuilding or repairs, which will be more costly than reinstating a non listed building with similar functionality.
- If a building is made from stone, it costs more to build, repair and maintain, especially if the stone is unique.
- If a building has extensive outbuildings such as garages or storage sheds, these must be included, but are sometimes overlooked.
- If a building has recently been extended or altered, you must ensure this is reflected in a revised value in the insurance policy.
- Location is a factor. If adjacent to a railway line or only accessible via a weight restricted bridge, these will complicate the process and the cost of a rebuild.

**In today's challenging and uncertain economic climate, many homeowners and businesses are not prioritising the valuation and risk assessment aspect of insurance, perhaps thinking it may lead to higher premiums.**

**Whilst saving costs is a good thing, this should not be at the expense of long-term security. Being under-insured could lead to severe financial hardship whether that is for your home, your farm, estate or any other business that you have.**

**It really is that important. So, the advice R K Harrison would give is make sure you review your insurance in plenty of time prior to renewal, so that it accurately reflects your situation and if using a broker, they will be able to find the right cover, at the right price, to protect you should the worst ever happen to your property.**





# MOUNTING EXPENSES

Think your legal disputes are dragging on?  
You may not be consulting the right people.

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**Owning rural land can turn litigious for all manner of reasons. A spat with the neighbours or the local council can see both sides calling their lawyer. The wheels of the legal system turn very slowly, cases can drag on and on.**

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Not only can the wheels turn slowly, they can sometimes turn in the wrong direction if they don't have the necessary expertise behind them.

The rural sector is both diverse and complex in its nature. Farmers, land managers, land owners and estates face a plethora of different challenges with potential legal implications.

It could be land ownership, public right of way issues, rent disputes or environmental issues. Whatever it is, if you are relying on general advice, that may be insufficient.

Winning any legal case is a team game, and your legal journey could be made simpler and shorter, with a respected and specialist insurance broker in your corner from day one.

The vast majority of insurance providers offer a packaged legal expenses policy. One of the reasons insurers are able to do this is that they use their own in house lawyers or outsource the work to one legal firm.

This "one size fits all" approach does not always suit landowners who want to work with specialists and have more choice in their selection. This is even more evident where they have diversified or have large amounts of land where issues arise more regularly.

**Your insurance broker is your first line of defence.**

By working closely with some of the UK's leading law firms specialising in rural matters, R K Harrison have created a policy that offers cover for complex diversified businesses, large and small.

**Bespoke Rural Legal**

Our Bespoke Rural Legal product cover offers one of the broadest ranges on the market. Furthermore, cover can be customised with the addition of optional extras.

**Standard covers**

- Property disputes
- Agricultural rent disputes
- Basic payment subsidy protection
- Wayleave disputes
- Public right of way issues
- Croft disputes
- Criminal prosecutions
- Tax investigations
- Personal injury claims

**You can also upgrade**

- Contract disputes
- Employment disputes
- Licence disputes
- Planning and compulsory purchase orders
- Mediated partnership disputes
- Professional negligence pursuit
- Judicial review

# CYBER-CRIME PREPARE, PREVENT, PROTECT.

As technology becomes increasingly important for businesses of all shapes and sizes, the need for robust insurance protection against the threat of cyber-crime also increases.

**Cyber crime cost UK businesses £29 billion in 2016\* and research conducted by OnePoll suggests 60% of UK office workers receive a phishing email every day. So, what can the rural sector do to protect itself?**

Rural businesses handle considerable amounts of customer data, containing sensitive personal information, making them a potential target for cyber criminals. That's why data security should be a fundamental consideration for any business, no matter how small.

Weak security systems could enable cyber hackers to compromise your business by stealing valuable data such as financial information (card and bank account details), or access your customer database and sell it to a competitor.

### **Take precautions**

To defend your business adequately it is essential to adopt a culture of awareness of cyber risks. The OnePoll research suggests that the 60% of workers referred to above will fall for a phishing fraud unless trained to spot them. Some 27% of them had no idea what phishing was, while one in five admitted they had fallen victim by clicking on a link or attachment. It can be that simple to fall into the trap!

No two businesses are ever the same, and an insurance broker's job is to ensure your business has the appropriate protection it needs, relevant to its operations.

Cyber insurance is designed to help mitigate the potential financial losses incurred in the event of an attack for loss of data, liability claims and reputational repair. The impact of cyber-crime is not just immediate, it can have a long lasting legacy – damaged reputations can lead to loss of confidence and eventual loss of business.

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## **Tips for stronger cyber-security**

- Never disclose your banking codes, passwords or personal information
  - Report any suspicious emails or phone calls
  - Install anti-virus software on your computer and keep it updated
  - Ensure your company has adequate insurance protection from the consequences of cyber-crime
-



### Example

An employee of a retailer that sells products to the rural community receives an email with a limited time promotion for premium goods, from a source they believe to be reputable, and have purchased from before. They click on the link in the email which loads malware onto their workstation infecting the network. The malware is designed to access and forward account details and client personal data before permanently deleting all information on the company's servers. They are unable to transact business for a period of time until its systems are up and running again and have to report the incident to the information commissioner.

### Cyber Liability

Your main commercial policy may provide some cover towards the costs of recovering data and lost income, however in many instances this cover is limited; this is particularly acute where a business relies on its systems for trading.

In this scenario, a Cyber Liability policy could provide specialist cover for the costs associated with recovering data and reinstating systems in addition to reimbursing the lost income. Importantly it could also cover subsequent fines and investigations from the data protection regulators.

Technology evolves at a rate of knots. It can help businesses immensely but it can also come with some associated risks. Don't fall foul of these risks by being either under-prepared or under-protected.

A man wearing a straw hat and a red shirt is standing in a field of golden wheat, looking down at a tablet device. The scene is captured from a side profile, with the man facing right. The wheat is tall and dense, filling the foreground and middle ground. The background shows a flat horizon under a bright, slightly overcast sky. The overall lighting is warm, suggesting late afternoon or early morning.

# IMPROVING RURAL REACH

# Rural broadband has become a political priority – so it's time for businesses outside of the big cities to finally get up to speed.

As more and more rural businesses begin to rely on the internet to be competitive in a global market, the political pressure is building to improve broadband speeds and mobile phone coverage in rural areas.

Ever since the government launched its Broadband Delivery UK project in 2010, signing a public-private deal with BT Openreach to deliver it, the will to improve internet speeds in remote areas has been clear.

However, that doesn't mean that every rural business can now feel confident of enjoying a broadband service which matches that available in the big cities.

An Ofgem report in November 2015 showed average download speeds in urban areas (50.5Mbit/s) were over three times those in rural areas (13.7Mbit/s).

Here we analyse the big issues for rural businesses still worried about broadband speeds and mobile coverage:

## What is the current situation?

Things have improved since 2015, and the good news is that Openreach does look likely to meet its target of putting 95 per cent of homes and offices within reach of superfast broadband (defined as 24Mbps) by the end of the year – with an aim to move that figure to 97 per cent by 2020.

However, there are still many rural businesses suffering from poor signal and slow speeds, which can affect their ability to operate competitively – and limit the options for expanding and diversifying the business.

## What's being done at a national level to put it right?

The issue has become hotly debated in Parliament and in fact all parties included the provision of rural broadband in their manifestos for June's General Election.

The Conservatives included a pledge to introduce a full-fibre connection voucher for companies across the country in 2018 and promised that by 2022 there would be 'major fibre spines' in more than 100 towns and cities, with 10 million premises connected to full fibre.

Labour vowed to deliver superfast broadband to everyone by 2022 and pledged to instruct the National Infrastructure Commission to report on how to roll out ultrafast 300Mbps download speeds across the UK over the next decade.

It looks pretty certain that the issue will be tackled in the years ahead – but for many rural businesses it can't happen quickly enough.

## Is everybody happy with the progress being made?

Not everyone. For the five per cent still not able to access broadband the issue still a big problem – and with technology moving so fast some people say the copper-wire broadband being introduced by BT into many rural areas is already being overtaken.

Kevin Hollinrake, MP for Thirsk and Malton in North Yorkshire, warned recently that more needs to be done to ensure rural businesses and communities are not left behind.

He said: "We need to continue to press for improved access and for funding to deliver the roll out of Ultrafast broadband for rural areas. The future proofed 'fibre to the premise' (FTTP) roll out is pitifully behind other countries (2% in the UK compared to 60% in Spain). It is vital for our economy and to keep young people from leaving the area."

**What are the biggest problems being experienced by rural businesses?**

- Slow broadband speeds can make it almost impossible to stay connected in a modern business world in which customers are spread across the globe and mean even simple business tasks take longer.
- One of the major issues for rural businesses is 'contention', which results in slower speeds at busy times. The Ofgem report in 2015 showed rural areas suffered far more than urban areas from this phenomenon, with speeds dropping to 88 per cent of their maximum during peak periods (in cities it was 92 per cent).
- Lack of mobile signal is a major frustration for rural businesses, resulting in bigger phone bills and more complicated communication issues.

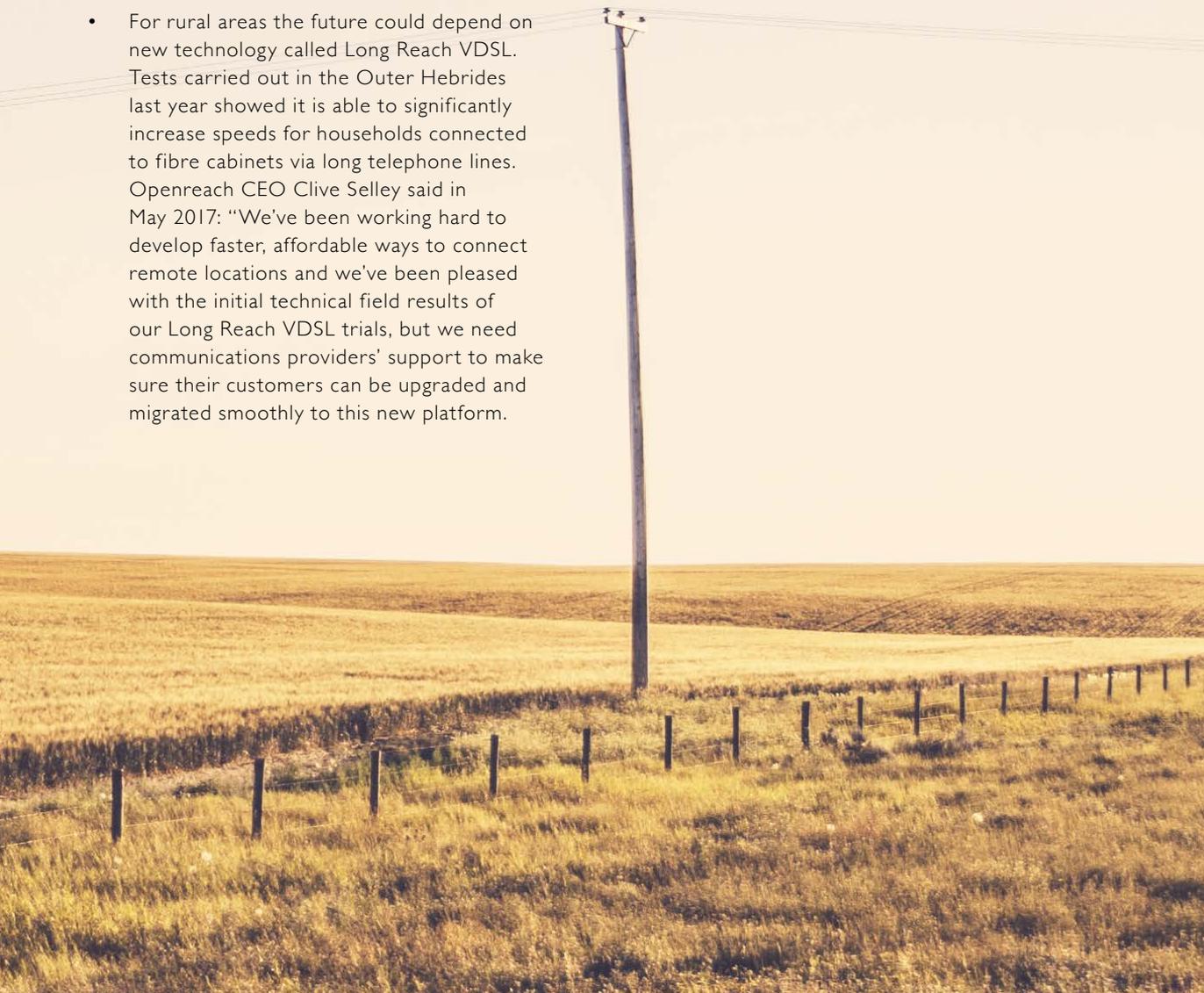


### So what is the future for rural broadband?

- The rollout of a new 5G network is already close and should provide gigaspeed connection for smartphones for the majority of the population by 2027.
- The Government has vowed to press ahead with its Broadband Delivery UK programme and has already provided extra funds.
- BT Openreach is investing in G.Fast technology which uses a combination of fibre cable and existing copper infrastructure.
- For rural areas the future could depend on new technology called Long Reach VDSL. Tests carried out in the Outer Hebrides last year showed it is able to significantly increase speeds for households connected to fibre cabinets via long telephone lines. Openreach CEO Clive Selley said in May 2017: "We've been working hard to develop faster, affordable ways to connect remote locations and we've been pleased with the initial technical field results of our Long Reach VDSL trials, but we need communications providers' support to make sure their customers can be upgraded and migrated smoothly to this new platform."

### What are the insurance issues?

- Many rural businesses are looking to diversify by using their premises, land and equipment to offer new services. However, poor broadband can be a big risk factor and may need to be considered in advance. Talking to an insurance broker which understands rural business can help.
- For businesses which rely on the internet, it may be wise to look into Business Interruption Insurance to cover potential losses during an outage.





# CLEAR AS MUD

How will Brexit  
affect rural funding?

**Farmers Weekly and The National Farmers Union are at odds about whether farmers voted for Brexit or not. Both suggest a swing of around 60:40. Either way, they disagree.**

Whether Brexit is welcomed by the rural community or not, it's likely to lead to reform of the way the government supports farmers. Potential changes to funding mean many powerful lobbyists will compete to be heard, particularly in the devolved administrations. As a devolved policy area that's dependant on treasury support, we can expect clashes of opinion between London, Edinburgh, Cardiff and Belfast.

One thing that is certain, the debate about how Brexit will affect rural communities has barely even begun.

Alan Swinbank from the UK Trade Policy Observatory said: "Farmers might reluctantly accept a drastic cut in direct income support (or greater emphasis on enhanced environmental outcomes) if tariff protection remained, but would probably protest vigorously if both taxpayer funded support and tariff protection were removed in a double-whammy."

## **Divorce talks holding up the real BIG ISSUES**

With Brexit negotiations stalling on divorce settlements, and the chances of striking trade deals with other trade blocks wholly dependent on the outcomes of said divorce, the debate currently centres on coping with a dwindling EU migrant workforce and the potential for CAP reform.

CAP Pillar 2 schemes such as the less-favoured-area support scheme (Lfass), crofting support forestry payments, the Leader programme and agri-environment grants are getting minimal coverage at the moment but that could change.

Many lobbyists are pushing for funding in Pillar 2 to grow, at the expense of the direct payments.

## **CAP Pillars 1 and 2 fixed until 2020. What next?**

Pillar 1 agricultural support will be ring-fenced at current levels – €25.1 billion in direct payments – until 2020. Pillar 2 support, to fund rural development and environmental schemes, will also be capped at €2.6 billion until 2020.

Environment minister Michael Gove has pledged to match the current £3billion support until 2022, the next scheduled general election.

## **Help for those who help the environment?**

Something that Gove has proposed – and the National Trust, the NFU and The Tenant Farmers Association have all called for – is that the emphasis of financial support could move from Pillar 1 to Pillar 2, with subsidies triggered by agri-environmental programmes and other innovation schemes.

The move would shift the focus from the acreage of land owned to the perceived “public good” being created for the taxpayer. This could be a popular direction for the ministers who will ultimately vote for it, as it can be “sold” to the wider electorate as being in everybody’s interests.

Larger landowners with large capital reserves will of course be best placed to implement schemes and enjoy residual benefits; smaller uplands farmers with lower environmental impact could find themselves able to access previously unavailable subsidies.

But like all things Brexit, it is a complex, emotive topic where every consideration has a myriad of knock-on effects. Any concrete decisions are a long way off.

Planning beyond 2020 is going to be clear as mud for a good while yet.





When it comes to choosing a service provider, such as insurance, it is often seen as a simpler option to stay where you are and continue your current arrangements, taking a 'better the devil you know' attitude.

We would recommend you review your insurance if you haven't done so recently. The consequences to your business and lifestyle could be potentially serious, if following a large loss you discover your insurance cover is not what you thought it was.

Owning and managing an estate provides many challenges especially if there are a number of business interests, buildings and equipment to be considered. Tendering your insurance does not need to be a daunting exercise and we are able to provide you with the knowledge to give you both the confidence and the direction to ensure your insurance requirements are effectively provided.

R K Harrison are able to provide you with guidance on the tendering process, aiming to make the process less complicated and achieve the most efficient outcome- whether that means reducing premium, achieving a better service or extending cover.

The following is a brief guide of things you need to think about when tendering your insurance.

1. Decide if you want/ need to tender
2. Commence renewal preparations at least three months in advance of your renewal date
3. If you are going to tender, decide what strategy you will use to review your options
4. Consider how many brokers you want to invite to tender for your insurance. We would suggest just one other alongside your existing broker
5. Request testimonials and permission to contact one or more existing clients for a reference
6. Have a copy of your existing schedules ready to show your current requirements
7. Allow four weeks to respond to the tender responses
8. Be aware of the key things to consider when making your decision:
  - Price
  - Coverage
  - Service
  - Claims handling
  - Risk management support
9. Try to make your decision at least 5/7 days before your renewal date providing your response over the phone and then follow up in writing

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Using a broker such as R K Harrison who have in-depth knowledge of rural industry and who can offer a wide choice of insurers is a sensible step to finding the right cover at a competitive price.

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**If you are interested in finding out more about any of the articles and finding out how R K Harrison can help with your insurance requirements you can contact us by calling the team on +44 (0)1234 305555 or email [enquiries@rkharrison.com](mailto:enquiries@rkharrison.com).**

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