

**LEGAL: MOTOR INSURANCE**



● An insurance broker's job is to know his customers' needs and to provide them with appropriate cover.

## Motor insurance ... would your insurers pay out?

We all need motor insurance, but how can you be sure your insurers will pay out if disaster strikes and that the policy you have is suitable for your business? Dan Reynolds, Account Executive at specialist insurance broker Reason Global explained how they make sure their customers have the right level of cover in place.

**A**s with all insurance it's important to ask the right questions and to make sure the customer answers them fully and honestly, there's no such thing as a 'one size fits all' insurance policy," said Dan. "With motor insurance we need to know who will be driving; the drivers' ages, their driving record, which vehicles they'll be using and what countries they'll be operating in. If a driver had a conviction for, let's say, drink driving two years ago, it needs to be disclosed. It's also vitally important that employers inform us of any accidents or convictions that take place during the term of the policy and not wait until the renewal is due. It's all part of building a 'risk profile' so the insurers can assess the likelihood of a claim and calculate a fair premium."

All insurance brokers are regulated by the Financial Conduct Authority (FCA) and there are strict rules in place to make sure customers are treated fairly. One of the requirements of a broker is to adhere to a Statement of Demands and Needs, an extract from the FCA guidelines is shown below:

*Prior to the conclusion of a contract, a*

*firm must specify, in particular on the basis of information provided by the customer, the demands and the needs of that customer as well as the underlying reasons for any advice given to the customer on that policy.*

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Dan Reynolds

This means the broker needs to know his customers and the insurance contract must be suitable for their needs. Asking probing questions based on experience is a vital part of the broker's role.

"Simple things like making sure the company's full legal name is correct is very important," said Dan. "A company

may be trading as say, ABC Removals, but is actually owned by XYZ Removals Ltd. If that wasn't the name on the policy there could be a problem if a claim was made. Also we need to know if any of the directors have criminal convictions or have run companies that have gone into liquidation. If any 'material information' is not disclosed it could cause difficulties later."

As a specialist broker with many years' experience Reason Global has gained a wealth of knowledge of the removals business and works very closely with its customers to help make sure material information that could influence a claim is fully disclosed and kept up to date.

"We've been in this business for a long time and we know how things can go wrong if customers are not guided properly regarding insurance contracts," said Dan. "Insurance companies will always pay out if a claim is valid, but if relevant material information is inaccurate or incomplete they have every right to reject it."

Reason Global is the only Lloyd's of London UK broker solely dedicated to the moving and self storage industries.

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