

The future's bright, the future's energy efficient

For many years we have become aware when we buy our fridges and washing machines, we are seeing lots of information on energy efficiency.

From May 2008 many commercial buildings are now subject to new regulations. These mean that the energy efficiency within the building has to be assessed and certificated.

This raises value issues for developers and investors alike as an "A rated" building will be that much more attractive to tenants. Leaseholders and tenants will also see the benefit, as improved energy and efficiency should help keep energy/heating costs down.

The new legislation contains a phased timetable of introduction. Buildings will require recertification at least once every 10 years.

Insurers are keen to help their clients with the new legislation. There are a small number of specialist insurers who have been accredited and are able to provide the energy certification service. Your regular

broker can put you in touch with accredited insurers who will be able to produce a *quality report* at competitive costs.

The service includes a full assessment of the building, and reports on the current energy rating, and what options are available to improve the rating and reduce fuel/energy costs.

This new legislation affects every business, and a joint approach by landlords and leaseholders/tenants is often the best way forward.

A word of caution, if the *quality report* recommends changes, say in the building insulation, then it is worth picking up the telephone to your broker to discuss the implications. If you are considering changes, then the materials used, could have an impact on the Fire Safety Risk Assessment. It is always worth checking that the materials used are approved and preferred by the Fire Services and Insurers alike. Using materials that have not been checked with your Insurers could result in increased premiums or worse still cause serious cover problems if there is a claim.

6 th April 2008	EPCs required on construction for all dwellings EPCs required for the construction, sale or rent of buildings (other than dwellings) over 10,000m ²
1 st July 2008	EPCs required on construction for the construction, sale or rent of buildings other than dwellings) over 2,500m ²
1 st October 2008	EPCs required on the sale or rent of all remaining dwellings EPCs required for the construction, sale or rent of buildings other than dwellings DEC's required for all public buildings over 1,000 m ²
4 th January 2009	First inspection of all existing air-conditioning systems over 250kW must have occurred by this date
4 th January 2011	First inspection of all remaining air-conditioning systems over 12 kW must have occurred by this date

1 st May 2007	EPC required for the construction of a commercial building over 500m ²
4 th January 2009	EPC required for sale or rent of all buildings First inspection of all existing air-conditioning systems over 250kW must have occurred by this date EPCs for public buildings must be on display

30 th June 2008	EPC required for sale of all domestic buildings
30 th September 2008	EPC required for the construction of a new building
30 th December 2008	EPC required for sale of all commercial buildings EPC required for rent of all buildings
4 th January 2010	First inspection of existing Air Conditioning systems over 250kW must have occurred

EPC = Energy Performance Certificate DEC = Display Energy Certificate

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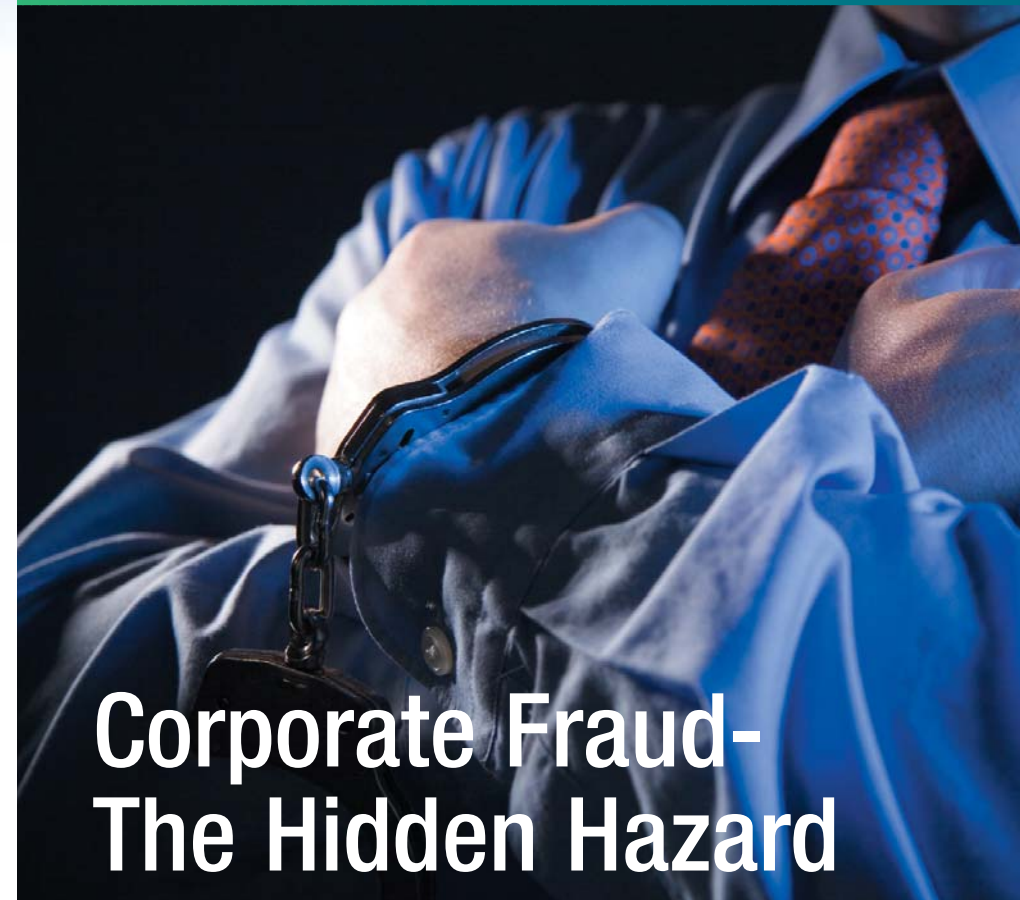


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insurance matters

Issue 2 - Autumn 2008

INSURANCE INDUSTRY NEWS FROM CRAWFORD DAVIS



Corporate Fraud- The Hidden Hazard

Corporate fraud has been on the increase in the last five years. Major headline cases, such as Enron, Worldcom, Parmalat & REFCO are all examples of major corporate frauds. Last year, the largest criminal confiscation order in British history was handed down to Gerald Smith (£41m), due to corporate fraud.

However, corporate fraud does not only affect large corporations. It is expected that corporate fraud will cost businesses £50m this year, which many small and medium size enterprises (SMEs) will be unable to recover from and will face closure.

According to DTI figures, 99.3% of all businesses in the UK comprise fewer than 50 employees. Unfortunately, these organisations rarely have the luxury of internal controls and resources which can help uncover and fight fraud.

Businesses may be exposed to both internal and external fraud, perpetrated by employees or outsiders respectively and collusive fraud which involves both.

There are steps which may be taken to prevent or reduce the risk of fraud in a business. The most effective step is to develop an anti fraud culture across the business and introduce appropriate policies, controls and procedures.

However, even the most advanced system cannot prevent professional fraudsters from attacking the business and the increase in identity fraud over the past few years have further emphasised this fact. Whilst identity fraud is often seen as a personal threat, the dangers are also inherent in business. It stands to reason that the larger prospect of rewards available to fraudsters by committing identity fraud against a company are tempting.

Welcome...

to the Autumn issue of
Insurance Matters.

This issue will be looking at the worrying effects of corporate fraud and identity theft, changes to energy performance certification and now that summer has well and truly ended in this country, the growing trend towards buying a second or holiday home.

If you have any comments or requests for topics you would like to see covered in the future issues please contact us.

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home in the sun



Rising Fuel Costs



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