



RiskBox



30th September 2020

When to notify your insurer of a claim

A Guide

In short, as soon as possible

Notifying insurers of potential claims under your policies is one of the most important obligations for any insured business. Failure to do so in good time can entitle an insurer to avoid paying a claim.

The good news is that it's one of the easiest things to comply with.

We've pulled together a very brief outline of trigger points that should prompt you to notify RiskBox and/or your insurer. This is not a comprehensive guide by any means, but it can act as a simple aid – a general starting point as to what to look out for, and when to get in touch with us.

Policies and notification obligation conditions will vary by insurer, with some being more flexible than others when it comes to how much time you can take. We've taken the cautious approach here, so where we've put notification timescales in, we expect these will satisfy the requirements of all the insurers we work with.

Please note that the below does not cover every eventuality, type of policy, insurer wording, or type of incident. We've particularly avoided certain areas of insurance outside our range of expertise, including motor, credit and personal insurance.

What you'll need in order to notify your insurer

The information that insurers will need in order to deal with a claim will vary significantly depending on many factors. However, it's worth noting that you can notify the claim with minimal information – effectively stopping the clock.

From there, your broker and insurer can guide you through what information will be required, when, and in what format.

The important thing is that you'll have complied with the notification condition.

When to notify your insurer of a claim



Notifying your insurer of a normal claim

The tables below give an overview of when to notify your insurer of a potential standard claim (i.e. those that are not an emergency). They have been split into policy/cover type.

Professional Indemnity

When to notify	Notes
<p>Either:</p> <p>Within 7 days of receiving formal correspondence taking (or threatening to take) legal action against your business.</p> <p>Or:</p> <p>When a customer has been complaining about the services provided and you suspect they may consider taking legal action.</p>	<p>You should let your insurers know of any form of correspondence, such as a letter or email, with the intent of taking legal action – even if they do not detail their reasons for believing you are liable.</p> <p>It is important to anticipate client grumbles because most Professional Indemnity insurance policies include mitigation of loss cover. This means that claims can be tackled early, often before any legal action, to help reduce the cost and stress for both you and the customer. This can often keep the claims cost low and protect important relationships too.</p>

Public Liability

When to Notify	Notes
<p>Either:</p> <p>Within 7 days of becoming aware of any injury to a third party, and specifically any that needs to be recorded in an accident book.</p> <p>Or:</p> <p>Within 7 days of receiving formal correspondence taking (or threatening to take) legal action against your business. You need to notify insurers of any incidents you are unaware of, and then update them when a notification needs to become a formal claim.</p>	<p>Although this varies by insurer, it's recommended that you advise insurers of all accidents. These could occur on your premises, at your events, or be caused by a staff member while visiting a third party.</p> <p>Accidents will normally be considered as notifications only, rather than full and formal claims on the insurance. They would only become a full claim should the injured party follow up with legal action.</p> <p>For serious injuries that are far more likely to become claims, insurers will likely treat the notification as a claim from the start. They may potentially want to proactively involve rehab services and the like.</p> <p>Please refer to our guide on liability claim notifications for more information.</p>

When to notify your insurer of a claim



Employers' Liability

When to notify	Notes
<p>Either:</p> <p>Within 7 days of becoming aware of any injury to an employee, and specifically any that needs to be recorded in an accident book.</p> <p>Or:</p> <p>Within 7 days of receiving formal correspondence taking (or threatening to take) legal action against your business. You need to notify insurers of any incidents you are unaware of, and then update them when a notification needs to become a formal claim.</p>	<p>Although this varies by insurer, it's recommended that you advise insurers of all accidents. These could occur on your premises, at your events, or while a staff member visited a third party.</p> <p>Accidents will normally be considered as notifications only, rather than full and formal claims on the insurance. They would only become a full claim should the injured party follow up with legal action.</p> <p>For serious injuries that are far more likely to become claims, insurers will likely treat the notification as a claim from the start. They may potentially want to proactively involve rehab services and the like.</p> <p>Please refer to our guide on liability claim notifications for more information.</p>

Property Damage & Theft

When to notify	Notes
<p>Within 7 days of loss or damage.</p>	<p>For smaller claims, such as for laptop damage, there is likely to be more flexibility. However, we would still recommend advising insurers within this timescale.</p> <p>You'll always have the option not to pursue the claim following notification – if the damage falls below the excess, for example.</p>

When to notify your insurer of a claim



Cyber & Data

When to notify	Notes
<p>Either:</p> <p>As quickly as possible, but no later than 7 days since the incident.</p> <p>Or:</p> <p>Within 7 days of receiving formal correspondence taking (or threatening to take) legal action against your business. An example would be allegations of data misuse by individuals.</p>	<p>Most Cyber & Data claims will be urgent in nature, so we would always recommend advising insurers as soon as possible. This is true for claims that don't feel like an emergency, or where perhaps the issue seems to have been resolved (such as your IT team getting your network running again following a DDoS attack).</p> <p>Remember that your obligation to notify insurers of potential Cyber & Data claims is separate to your obligation to notify the ICO of any data breaches. Insurers might be able to give guidance on the latter, but this will generally need to be actioned by yourself.</p>

Directors' & Officers' Liability

When to notify	Notes
<p>Either:</p> <p>Within 7 days of receiving formal correspondence taking legal action against one of the individuals, or the business itself, for an alleged wrongful act.</p> <p>Or:</p> <p>When any third party has alleged that an individual within the business, or the company itself, has committed a wrongful act.</p>	<p>Wrongful acts are both wide-ranging and specific to the policy provided by an insurer. But, generally, if any other party is looking to take action against you, another director or an employee in your capacity as director of the business, then you need to notify insurers.</p> <p>Directors' & Officers' Liability also usually includes certain covers for the entity itself. Should you receive written notification of legal or regulatory action, that needs to be advised in exactly the same way.</p> <p>The latter part requires you to look out for potential issues that are not yet formal litigation. This is because strong Directors' & Officers' Liability insurance policies include mitigation of loss cover. This means that claims can be tackled early, often before any legal action, to help reduce the cost and stress for you and your business.</p>

When to notify your insurer of a claim



Employment Practices Liability

When to notify	Notes
<p>Either:</p> <p>Within 7 days of receiving formal correspondence taking legal action against the business or one of its employees for an alleged employment practice wrongful act.</p> <p>Or:</p> <p>As soon as you are aware of any circumstance that could potentially give rise to a claim.</p>	<p>Formal correspondence could be a solicitor's letter, ACAS conciliation request or an ET1 form. You need to inform your insurer of these within 7 days as there are often strict set deadlines to comply with.</p> <p>Circumstances that could lead to a claim include specific concerns raised by an employee, resignations that imply a future constructive dismissal claim, raised grievances, or redundancies.</p>

Group Travel

When to notify	Notes
<p>Within 7 days of your return from the trip, or from the date you should have travelled for cancellation claims.</p>	<p>For smaller claims, such as for lost luggage, there is likely to be more flexibility. However, we would still recommend advising insurers within this timescale.</p> <p>You'll always have the option not to pursue the claim following notification – if the damage falls below the excess, for example.</p>

When to notify your insurer of a claim



Legal Expenses

When to notify	Notes
<p>Either:</p> <p>Within 7 days of receiving formal correspondence taking (or threatening to take) legal action against your business.</p> <p>Or:</p> <p>As soon as you are aware of any circumstance that could potentially give rise to a claim.</p>	<p>Legal Expenses insurers are notorious for their requirement for strict adherence to claims notification conditions. They are arguably the most likely to reject a claim for late notification, so extra vigilance is required.</p> <p>You should let your insurers know of any form of correspondence, such as a letter or email, with the intent of taking legal action – even if they do not detail their reasons for believing you are liable.</p> <p>In the event that you become aware of a circumstance that could potentially give rise to a claim, you need to notify insurers the moment you are in any form of dispute with a third party that could result in legal action. This might be as simple as getting to the stage where you need to take action against a client who refuses to pay their invoice.</p>

When to notify your insurer of a claim



Notifying your insurer of an urgent/emergency claim

The tables below give an overview of when to notify your insurer of a potential time-critical claim, where action is required immediately. Again, they have been split into policy/cover type.

Property Damage & Theft

When to notify	Notes
<p>Either:</p> <p>Immediately should you have access to emergency assistance services.</p> <p>Or:</p> <p>Within 7 days of loss or damage, noting that you will be obliged to take reasonable steps to prevent further loss. An example would be that you would take measures to secure the premises following a break-in.</p>	<p>Some policies provide emergency helplines so that you can get in touch should you need urgent assistance – for example, if you suffered a leak on the premises over the weekend and need an emergency plumber.</p> <p>Whenever there is an emergency that requires immediate attention, insurers will allow you to engage reasonable services to prevent further loss before notifying them. In those instances, you would still need to advise insurers in line with the normal property damage timelines.</p>

Cyber & Data

When to notify	Notes
<p>Immediately – all Cyber & Data policies should give you 24/7 access to emergency assistance services.</p>	<p>For any Cyber & Data emergency, whether it's a simple DDoS attack or a more serious breach of your systems, it is imperative to contact the emergency helpline facility.</p> <p>Time is critical for incidents like these, and failing to act quickly can result in exponential damage – both insured and uninsured (i.e. to your reputation).</p> <p>Notifying the emergency assistance team will allow the appropriate experts to help rectify the issues fast. They'll also be able to help you with your GDPR notification obligations, although this will generally be up to you to action.</p>

When to notify your insurer of a claim



Group Travel

When to notify	Notes
Immediately – all Group Travel policies should give you 24/7 access to emergency assistance services.	<p>For any Group Travel emergency, whether it's the need for medical assistance or because of lost passports, it is imperative to contact the emergency helpline facility.</p> <p>It's particularly crucial for medical expenses, as insurers are normally required to authorise treatment beforehand. Otherwise, you could end up with a significant bill.</p> <p>Notifying the emergency assistance team will allow you to get the help you need quickly.</p>

In addition to the above, it's also important that you remain aware of your notification responsibilities when it comes to taking out a new policy or renewing an existing one.

Notifying your insurer of a previous claim: New policies

When taking out an insurance policy, it's a fundamental requirement that you inform insurers of any recent claims you have suffered and any instances where you would have had a claim if the insurance had been in place.

For example, when taking out Cyber & Data insurance for the first time, you'd be obliged to let insurers know of any previous system breaches.

You would normally offer this information through a proposal form or in a statement of facts document. However, where these are not provided or relevant, you are still obliged to advise insurers as it could be considered a material fact. This means that, depending on the circumstances, it could affect both the claim and the cover.

As a rough rule, we would recommend that you advise insurers of any claim or incident that occurred over the last five years. If you are ever unsure whether a certain incident needs to be made known, just get in touch with us.

When to notify your insurer of a claim



Notifying your insurer of a potential claim: Renewals

In this hyper-busy world we all seem to operate in, where efficiency and margins are more important than ever, it is tempting to only pay cursory attention to the information required for your insurance renewal.

This is dangerous, and the presence of continuous policies and the increased use of statement of facts within the process can further exacerbate the risk.

Simply running your eyes over the financials used on a statement of facts document is not enough. If there is anything that could feasibly result in a claim under the insurance, then it must be proactively notified as part of the renewal process. This is true even if the insurance is unlikely to move and you are remaining with the same insurer.

If you haven't already, you need to advise your insurer as soon as possible if you can think of anything that could reasonably result in a claim under your insurance policies. Otherwise, the claim may be rejected, and could result in insurers withdrawing their cover.

Don't take that chance. If you're ever in doubt, we suggest contacting us as quickly as possible so that we can advise on your next steps.

Contact our team for advice

Whilst the guidelines above are no guarantee, following them should ensure you don't fall foul of any late notification provisions imposed by insurers.

For all of these claims, aside from emergency claims such as Group Travel and Cyber & Data, we suggest initially getting in touch with RiskBox. We can help you through the process, ensure you have all that you need to notify insurers correctly, and step in on your behalf whenever required. You can find our details on the back cover of this guide.



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