

The Edge

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In this issue, we delve deeper into the mysteries of Business Continuity Management, with the introduction of our ContinuityCoach.com service.

As usual, we provide an update of the policies and comparisons available at PolicyComparison.com, for both our Australian and New Zealand services.

IBANZ members are up-to-date, but are you? Did you know that LMI Group has commenced operations in New Zealand? We introduce you to our NZ team on page 2.

CONTINUITYCOACH.COM **...a new approach to Business** **Continuity Management**

Why you need a Business Continuity Plan

Business continuity plans are as essential to all organisations as insurance. No matter the size of the organisation, there is an absolute need for a Business Continuity Plan and supporting procedures.

Our research shows that most small and medium-sized organisations do not have Business Continuity Plans. While in many cases we do find evidence of some planning process, such as evacuation plans, IT disaster recovery plans, contingency plans, emergency plans etc, missing is a comprehensive 'whole of enterprise' approach to business continuity management.

Often, key persons in organisations that we talk to say they know what they would do. Excellent! Just document those thoughts, exercise the document and keep it up to date. If you do that, you're on the right path.

IT often leads the way – but it's not enough!

All too often specialist IT personnel are the ones looked to for recovery from day-to-day incidents that lead to computer hardware or software failure and lost data. The problem with this approach is that the organisation regards IT as the only critical function for the whole enterprise...but what about customer service, reputation, compliance with regulations (governance), suppliers and contractors? These are just some of the other core services that every organisation relies heavily upon.

Business continuity management, if properly installed and practised, provides the overall protection for all your critical organisation functions.

History is evidence of the need

Crises and disasters around the world have shown that disruption to any of the many core services in organisations can ruin profits, reputations and bring organisations down.

Almost 12 months ago, we launched **NO TAX ON INSURANCE.COM.AU**. We would like to congratulate NIBA on taking up this cause, and urge you to visit NIBA's website for further information.

Typically Topical for this edition features Cyclone Larry's devastation in far north Queensland. Given the ongoing effects of Cyclone Larry, it is perhaps appropriate to leave you with the following quote from Richard Kooi in 'Expect the Unexpected', ST Recruit, 15 December 2004:

"It is estimated that 80% of organisations who suffer a disaster, without effective emergency preparations, would not be able to survive longer than two years."

We hope you enjoy this edition of 'The Edge',
Allan Manning

Some consultants show statistics suggesting that a large proportion of organisations disappear quickly after a major disaster, however, we are sceptical of this view. Rather, we believe that organisations caught up in incidents causing disruption, never achieve their goals and financial dreams. As a longer term result, jobs disappear, customers are unhappy, market share shrinks and profits sink.

Doesn't insurance fully protect us?

Business Interruption ("BI") insurance is one safety net, but remember that an insurance claim can only be made for BI insurance if there has been damage to insured property. In many cases, such as IT failures, pandemics, human error and other similar incidents, there is never damage to insured property, hence no insurance claim is possible.

Nevertheless, we always recommend you purchase BI insurance and base some aspects of cover, such as indemnity period and increased cost of working, upon business continuity management procedures.

Just write a Plan and that will do?

Beware reliance upon just a Business Continuity Plan. The existence of a mere Plan is not enough. What must also be in place are:

- Risk assessment
- Business impact analysis
- Crisis procedures
- Recovery procedures
- Plan exercising and maintenance
- Liaison procedures with emergency service

For further information, please use our Contact Us link overleaf. Our staff will be happy to answer any queries you may have. Alternatively, please feel free to visit www.ContinuityCoach.com, where a virtual tour is available for your convenience.

WHAT'S NEW AT POLICYCOMPARISON.COM

AUSTRALIA

Updates of the following insurance products have been researched and added to our online database of comparisons since our last newsletter (June 2006):

- | | |
|--------------------|-----------|
| ● Australian Unity | ● QBE |
| ● EIG/Ansvar | ● Allianz |
| ● Steadfast/QBE | ● Suncorp |
| ● Steadfast/Vero | ● Zurich |
| ● Austbrokers/Vero | ● AMP |
| ● OAMPS/Vero | ● Vero |
| ● IBNA/Vero | ● Dexta |
| ● IBNA/QBE | ● AAMI |
| ● Prestige Car | ● ACE |

The above products include Trade, Business, Business Pack, Home, Personal, Motor, Prestige Motor, Farm, Commercial Motor, Bushtrack Motor, Professional Indemnity, Third Party Property Damage, Directors & Officers, Commercial Strata, Landlords and Landlords Residential.

NEW: Machinery Breakdown and Electronic Equipment comparisons are now available for Commercial Pack policies.

Currently, we display 62,944 comparisons from 984 current policies, with 922 listings for alternative markets and hard to place risks. Almost 11,600 comparisons have been requested since June.

NEW NEW ZEALAND NEWS

We are pleased to announce the establishment of our New Zealand office. Services that were previously only available to our valued clients in Australia, are now available to the brokers and insurance intermediaries of New Zealand via our new branch. These services include claims preparation and negotiation.

Peter MacLeod (formerly of MacLeod Claims Management Ltd) heads our New Zealand operations, assisted by Rob Black (formerly of PricewaterhouseCoopers) as our business interruption specialist, together with a team of 3 field staff and Peter's personal assistant, Karen Hill. Peter may be contacted on **021 222 4178**.

For all your claims preparation requirements, including negotiation and resolution functions, please call us as early as possible in the life of the claim.

We look forward to your comments and any suggestions you may have. To provide feedback, please use the [Contact Us](#) form online.

TYPICALLY TOPICAL

CYCLONE LARRY

A category 5 cyclone with wind gusts up to 290 kph caused widespread damage throughout far north Queensland during the early hours of Monday, 20 March 2006.

Extensive damage had been occasioned to residential and commercial properties, together with government infrastructure and heritage-listed rainforests. Farm crops were also severely damaged, and it will be some time before banana, sugarcane and pawpaw crops recover.



Banana crop devastation

Steve Smith, from our Sydney office, continues to assist a number of commercial clients in getting their businesses up and running following the disastrous cyclone. Steve handles both material damage and business interruption losses to ensure your clients will receive their full claim entitlements.

The work of rebuilding has been slow. When time is such a crucial factor, over 50 days of rainfall and inclement weather conditions immediately following the cyclone, caused significant delays. These delays were further compounded by the very real lack of building materials and tradespeople to reinstate the widespread damage, and the necessary vigilance of local government authorities in ensuring reinstatement works complied with current Building Codes.



Sugar mill damage

From Steve's experiences in the devastated areas, it is clear that loss adjusting services in the early days of the cyclone, were severely stretched, and the question arises as to whether your clients have received appropriate attention to their claims.



Rainforest devastation

LMI Group is able to assist your clients in receiving a fair and timely response from insurers. Should you or your clients require assistance, please contact us on 1300 LMI GROUP. To speak with Steve Smith direct, please call **(02) 9906 5966** or **0413 467 417**.

HATS OFF TO NIBA

The 2006 NIBA Convention saw LMI Group partnering with Gold Seal to provide a unique blend of Gold Seal's compliance, regulatory and legal expertise with LMI Group's knowledge gateway, each offering an individual suite of specialised services to brokers and insurers. We take our hats off to NIBA, Gold Seal and especially to all of you who visited the booth.

L to R:

Mike Quinlan, Les Thorpe,
Steve Manning, Allan Manning



Another service from The LMI Group
For further information: www.LMIGroup.com