Better safe than sorry

Trust in your broker for this policy.

Your broker always keeps you informed… If you are unsure, come and find us.

Monthly bulletin
Nº 26 / April 2015

Family business "Working for you!"

This is the story of someone who "thinks differently" and who "does it all" because they think they have to. This is for those who "make their own way", risking money, looking for opportunities, gauging risk and resolving problems…

This is the story of any of the 3.1 million SMEs in Spain. Most are family businesses, generating 70% of Spanish GDP and providing work for 8.7 million salaried employees. The most common "natural person" or individual in Spain is the "Autónomo" (freelancer), followed by the Limited Company, which is also owned by an "Autónomo".

Requirements and ethics

Family businesses are vital to Spain's productive fabric. They maintain a long-term vision that goes beyond financial performance and the involvement of family members in its governing bodies. **Their ethical conduct generates social value and makes them more solvent and profitable than other companies.**

However, they face the same uncertainties as larger corporations, but with one difference: large companies include the role of a Risk Manager in their team.

What is a Risk Manager?

Leading companies recruit them to safeguard the integrity of their assets from potential risks. They are a key figure in the organisational chart because of their knowledge and ability to provide protection against the unexpected. After a significant incident, 7 out of 10 companies disappear as a result of NOT having contracted their insurance correctly.

97.6% of companies bring in less than 2 million euros a year. They are small, but they represent the largest number of workers in our country. And each of them contributes a Gross Value Added of

58,619 euros (2.21% above the European average).

Being a businessman means acting in spite of fear. **It is possible to "cover your back" with the services of an external Risk Manager.** That is the job of an insurance broker. Taking precautions and protecting your business is difficult because insurance policies are complex. As insurance brokers, we interpret, translate and adapt them to every need that each kind of business has. Our professional and independent advice helps you to cover any eventuality, which secures both the present and future for a company and its workers.

Small Spanish businesses learn quickly from the lessons of larger ones; they know their business and market and continue to grow because they are getting good advice.

"Rest in peace": the passengers of the Germanwings accident

Life sometimes throws horrible unexpected events at us, such as this tragic accident. We insurance brokers would like to send our condolences to the families affected and convey our most heartfelt sympathies.

The circumstances that caused the Germanwings plane crash in the Alps will not affect the compensation that the victims receive. In such cases, insurance covers all the eventualities: accident, terrorism or intentional act.

According to the Montreal Convention (of 1999 and adopted by all members of the European Union) "The carrier is liable for damage sustained in case of death or bodily injury of a passenger upon condition only that the accident which caused the death or injury took place on board the aircraft..."

Moreover, the amount of compensation could be considerably higher if it can be shown that there was negligence on the part of the airline**.**

Despite everything, the plane is the safest method of transport. Without a doubt, that reliability extends to low cost airlines. One serious plane accident is recorded for every 2.4 million flights.

Thanks to the insurance sector, when these disasters happen, however serious and terrible they may be, the damage is kept to a minimum. We cannot bring people back to life, but compensation can help the families to endure such a devastating blow.

In cases such as these, the closure of many companies and the job losses that go with it is avoided, as insurers take on the responsibility of paying the compensation as well as its own damages suffered as a result of this type of claim. **As always, the insurance sector plays a very important role in our daily lives. We don't want to have to rely on it, but bad things do happen and there is no better way to deal with them than with good insurance and the best advice.**

Better safe than sorry
Monthly bulletin / Nº 26 / April 2015

"Up to your neck in it!"

It is Sunday, 9am, and I am in the car. A farmer from Navarra is talking on the radio. The river has flooded his 10 hectares of cereal crops. He also grows pears that carry a designation of origin, which are also under a metre and a half of water. Although it will have cleared by next week, there isn't enough time to apply the treatments that would save his crops.

After that, I hear a cattle farmer who has called the radio presenter. The 2,000 pigs he was breeding on his farm have died. He has to remove the remains in order to avoid the spread of infections. Both express their desperation and uncertainty about the future. They do not know when the climate will give them a break.

But, they have planned ahead and are insured.

The damage

In the first quarter of this year, **the Insurance Compensation Consortium managed over 8,000 compensation requests to the cost of approximately 60 million euros.** Some of the worst affected areas were Cantabria, Burgos, Vizcaya, Guipúzcoa, Navarra and Zaragoza.

The damage is the result of the river Ebro and its tributaries, and other rivers in the north of Spain, bursting their banks.

The provinces of Castellón and Valencia were also affected by serious flooding at the end of March, reaching 568 compensation requests to date, to a cost of approximately 4.3 million euros. The water has flooded homes, offices, shops, warehouses, industrial premises and vehicles.

Who pays for that?

A public body was created to cover the damage generated by flooding, earthquakes, tidal waves and other natural phenomena: the Insurance Compensation Consortium. **The Consortium protects your assets from this kind of incident if you have valid insurance.**

If you look closely, you'll see that a small payment for the Consortium is included in your insurance. This "extra" money covers all the compensation required as a result of these kinds of incidents. The main difficulty is attending to everyone at once, given that events happen all at the same time. In these situations, we are also here to complete the claim and process the assessment reports as soon as possible with the Consortium.

Anecdote

Insurance for the film "Fast and Furious 7" cost 50 million

One in every five dollars of the budget for "Fast and Furious 7" went towards insuring the shooting of the film. Hollywood has beaten all cinema records by investing **50 million dollars in taking out the insurance it needed.**

Why spend so much money on policies for a film with a budget of 250 million?

Because it took 13 weeks to film. Because 600 people took part in the final scene. And because the forecast went up from 200 to 250 million because of the death of the leading actor, Paul Walker, in a traffic accident in 2013. His absence was substituted by doubles with the same complexion and special effects were used (like Photoshop in motion), which meant that the cost shot up by 50 million.

However, nothing is impossible in Hollywood. The film has already taken over 800 million dollars at the box office worldwide: a new record for this saga.

Research

Scooter accidents: "cars are to blame"

Take care when using a motorbike in the city. Scooters are involved in the most accidents. They are driven by men between 35 and 45 who travel within the local area for work; so they are not youngsters on sport bikes. **The month with the highest accident rate is May. Accidents occur most frequently on working days, and especially on Fridays. The majority of them happen in cities.**

It is not strange that scooters are the motorbikes that are involved in the most accidents, because they represent 68% of motorbike sales.

The accidents reflect the complaints made by motorbike riders: 2 in every 3 crashes between a motorbike and a private car occur because of the car driver. This casts doubt on the belief that motorbike riders drive irresponsibly.

Depósito Legal M-41589-2012
Edita: E2000 Financial Investments S.A.