

## **Brexit: Insurance considerations for those stockpiling**

### Key points

1. Underinsurance is a real possibility as the amount of goods being stored increases substantially.
2. As businesses prepare for a no deal Brexit by stockpiling goods and raw materials, firms should inform their insurance broker or insurer if they are holding more goods than usual and if those goods are being held off site or at a different location to that used when they took out the policy.

The Association of British Insurers (ABI) is urging companies who are stockpiling goods and raw materials ahead of Brexit to check that they remain fully insured. We are conscious that there are also additional pressures at this time of year in the run up to Christmas and Black Friday.

This comes amid widespread reports that, from car parts to frozen food, deodorant to drugs, many firms are stockpiling ahead of Brexit. Reports have shown that firms were stockpiling goods at the fastest rate in over 25 years, with warehouse space for frozen food at or near capacity.

The ABI is concerned that some firms who are stockpiling may have overlooked the possible insurance implications and is urging them to check the terms and conditions of their commercial cover and, if needed, speak to their insurer or insurance adviser to ensure they have sufficient cover in place. For example:

- There will usually be a limit on cover for stock on the premises under commercial contents policies. While there may be cover for temporary fluctuations, firms should check that any additional stock can be covered by increasing the sums insured. If transporting extra stock, you should also check your commercial motor or goods-in-transit policy.
- If you are temporarily storing additional stock or raw materials off site in a warehouse, check the cover under your commercial policy, and the extent of any cover provided by the warehouse firm.
- Check the policy terms and conditions to see if there are any restrictions on the amount of stock or raw materials that you can hold, and the way in which they are stored as, for example, there could be an increased risk of fire. If unsure then talk to your insurer or insurance adviser.