

# The value of business continuity planning

## BIBA member research

83 responses from senior insurance executives received between 24 August and 28 September 2011

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BIBA conducted a survey of insurance broker members and partner insurers in conjunction with the Cabinet Office Civil Contingencies Secretariat. The aim of the survey was to better understand the benefits that having resilience measures in place can confer: improved competitiveness, continuity of service during common disruptions and more serious emergencies, reduced insurance premiums and excesses. The results of this survey have been encouraging and have also supported the need for a simple and clear guide to help small businesses in the areas of business continuity.

### Key findings

61.6% of respondents said that those businesses with a Business Continuity Plan (BCP) will benefit from doors opening to new markets, a premium discount or a reduced excess.

90.4% of respondents said that large or medium size businesses are most likely to have a business continuity plan, compared to 3% and 2.2% of respondents who thought small and micro businesses respectively were likely to have plans.

45.5% of respondents said that business interruption insurance would benefit from improved terms or discounted premiums if a robust BCP was in place.

55.7% of respondents said that a premium discount is given if a BCP is in place. Of the insurer partners that responded, 83.3% said they would give a discount or improve terms to a business interruption policy if a business continuity plan was in place.

Various respondents stated that a tangible benefit of a BCP was turning what would probably be an unacceptable risk into one which insurers would write.

Only 3.4% of respondents felt that the British Standard BS 25999 was being promoted. 34.4% felt they would be encouraged to promote business continuity when discussing and selling appropriate policies if there was a simple way of promoting business continuity with a reliable and easy to use product to point business towards.

95.9% of respondents with sufficient information on business continuity felt that having a BCP in place kept businesses trading when they would have otherwise likely failed, or it seemed to reduce the cost of disruption significantly.

Only 1 respondent said that their BCP was supported by the local authority or other public body.

The emergencies/disruptions that respondents most frequently had to deal with were flood/escape of water at 41.1% and fire at 32.7%.

Some respondents stated that a BCP could be a condition of cover for high risk Business Interruption exposures rather than giving a discounted premium.

47.9% of respondents said that insurers always suggest customers arrange a BCP or suggest adoption of a BCP if asked what an organisation can do to be more resilient.

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