



CUSTOMERS GOODS INSURANCE: REGULATORY UPDATE

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ABOUT US

- Established in 1970 as specialist insurance broker to removals and storage sector
- Expanded specialism to include self storage in 2009
- Currently market leader, servicing c. 45% of UK self storage facilities
- Privately owned until acquisition by the Jensten Group in February 2023
- Supplier member of the SSA-UK and CTSA

Since 1970



INSURANCE



TODAY'S SESSION



- **An update on how recent regulatory changes impact the self-storage industry**



- **Introduction to StoreProtect – a non-insurance solution created for the self-storage industry**

HISTORY LESSON

- Insurance sales were unregulated until 14th Jan 2005.
- Operators either became regulated or used temporary 'Insured Contractor' regime.
- 2007 and 2009 statutory exemption orders issued.
- Storage firms can sell insurance to customers without regulation.
- Most self storage operators sell customer insurance generating significant additional revenue.



RECENT CHANGES



- Significant regulatory updates were introduced in 2022 and more are coming in 2023.
- The new rules affect all brokers and insurers, with focus on areas where unregulated parties sell insurance.

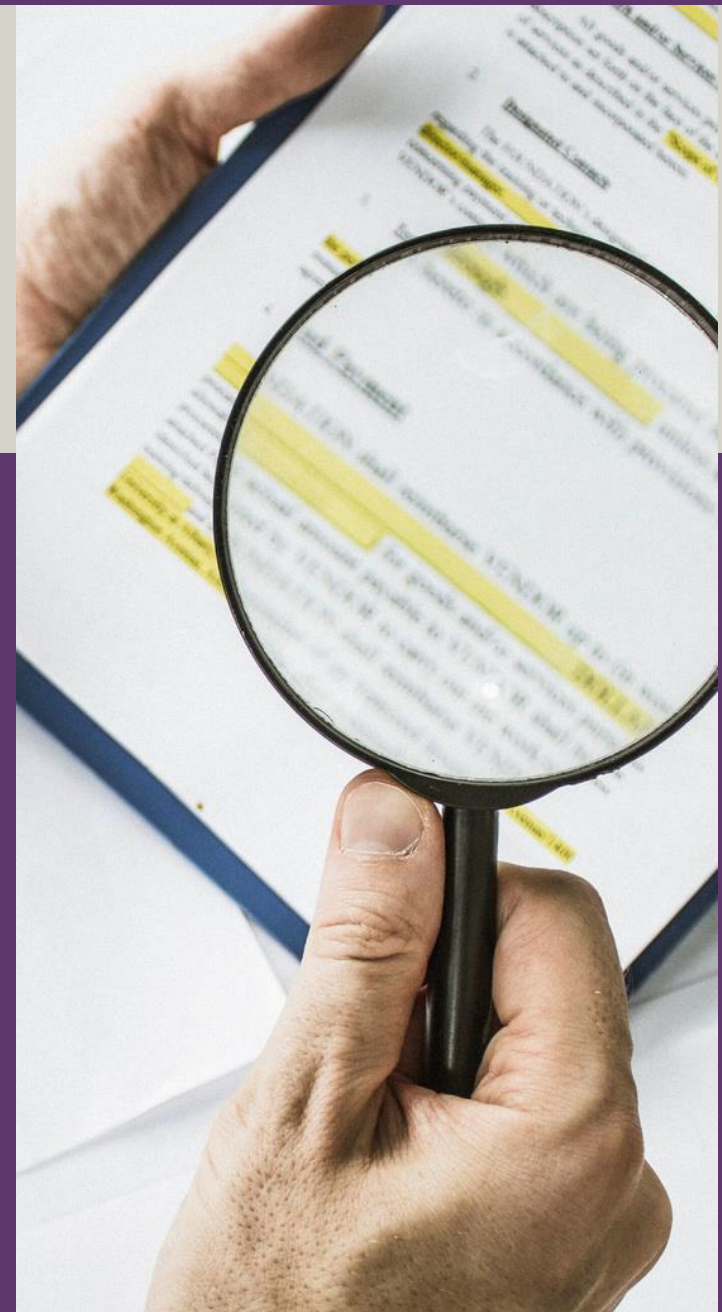
IMPACT ON SELF STORAGE INDUSTRY



- Wider controls for the regulator
- Insurers setting or controlling customer insurance charges
- Additional reporting to insurers.
- Many insurers stopped writing self storage policies

OUR REVIEW

- We spent 3 years exploring every option with several lawyers and compliance experts
- Any insurance solution is captured by new FCA regulations, so we needed to be creative...





StoreProtect

- ✓ A non-insurance solution for customers goods protection.
- ✓ 'StoreProtect' means 'enhanced liability' under contract.
- ✓ An additional service you can charge for.



What is StoreProtect?

StoreProtect is...

- Contractual liability
- Arrangement between you and your customer
- Protection similar to insurance
- An additional service.
- Same as USA model

StoreProtect is NOT...

- Insurance for customers
- A regulated activity
- Controlled by insurers or brokers

StoreProtect

How it works...



- Contractual liability for loss or damage.
- It reflects what you're already doing.
- Customers must:
 - Arrange insurance elsewhere; OR
 - Opt into StoreProtect
- You decide how much to charge for StoreProtect.
- Operationally similar to selling insurance.

StoreProtect Charges



- StoreProtect Charges are your additional fees
- Charges will vary based on customer declared value provided.
- For example:
 - Declared Value: £5,000
 - StoreProtect Charges: £2.25 + VAT per week (£0.45p + VAT/£1,000pw)
 - Annual: £117.00 + VAT
- Your insurance cover cost will vary, but typical margin is 85%.

Incorporating StoreProtect

- Your customer contracts need to be changed.
- Either:
 - Minor updates to current licence; or
 - We can provide a new agreement.
- We will assist with:
 - Website amendments
 - Customer communications
 - Marketing materials
 - Staff training





StoreProtect - Benefits

- Customers have easy access to fit-for-purpose, quality protection
- Operators can continue selling protection and generate additional revenue
- Customer claims are handled by specialist adjusters



THANK YOU
ANY QUESTIONS?





BASIL FRY & COMPANY

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