

The EU Referendum

Many people may be forgiven for thinking that campaigning around the EU Referendum has been going on for at least six months. The reality is that it has only just started but already the facts have been taken and distorted by both sides of the argument with equal conviction.

There are two main aspects to the debate. The first is principally about individual's personal convictions and what they think continued membership means and its implications. The second is more about business and economics, and it is this debate that this article focuses on.

It is probably fair to say that the business community as a whole favour continued membership. The reason for this is not necessarily a deep centred belief in the EU or conviction in its principles, but rather the desire for continuity or certainty. In simple terms it is better conducting business with a trading block with known trade agreements, and with a close understanding of the relationship of the UK with Europe both politically and economically.

Whilst the argument takes place there are implications however for business and the wider markets. Technically uncertainty may encourage the slowing down of business activity, and there is some evidence for this. A decision to leave the EU is also likely to cause volatility in the capital markets and impact on the strength of sterling.

These are impacts that would be seen very quickly if the final decision is made to leave the EU. Further down the line there could be other implications such as the demand for a new vote on Scottish independence. Equally in Europe other countries may watch with interest to see what happens in the UK and this may lead to a further disintegration in the EU.

In fairness longer term whichever way the UK decides the economy will adjust and there is no way of knowing whether over time the UK would end up being better off or not. Whatever your view is on the debate the best policy would be to make your vote count so that you have done the best you can to ensure your views are expressed and that the government takes these into account.

Why company directors love relevant life insurance

If you run your own business and have personal life insurance in place to financially protect your family, did you know that you could make a substantial tax saving on your premiums by taking out what is called 'relevant life insurance'?

Company directors paying 40% personal income tax could save up to 52% on their life insurance premiums when compared to having personal life cover in place. This means that someone with a £50 a month personal life policy could save £7,800 over a 25 year term, by taking out relevant life cover instead.

Relevant life insurance is the same in essence as the most common types of life cover sold in the UK in that it pays out a lump-sum benefit if the person covered passes away within a set period. However, the difference with a relevant life insurance policy is that it is paid for by your business, meaning it is eligible for tax savings.

When a relevant life policy is paid through your business there aren't any national insurance or P11D implications and the benefit is paid tax free.



Commercial insurance and your duty of fair presentation!

The current legal framework which governs insurance, “ The Marine Insurance Act 1906”, is being updated to make it simpler and easier for businesses to have their claims paid by insurers and to assist insurers, brokers and customers in ensuring that insurance contracts are fit for purpose.

This new Act “The Insurance Act 2015” becomes effective in August 2016 and in essence, will enable businesses to get fairer outcomes in the event of a claim.

However this will apply only if they demonstrate an adequate approach to disclosing information about their risk to insurers before the insurance is agreed, known as Duty of Fair Presentation.

This central requirement is still to share all material facts accurately and in good faith, however the new duty introduces some new concepts such as ensuring information provided when seeking insurance is accurate and knowledge of all relevant people within an organisation is included to ensure full risk information is passed to any potential insurer.

Insurers will also have some new duties to follow and they will be obliged to make further enquiries if there are obvious omissions, questions or gaps to the information presented to them.

Tax Tips

From 6 April the Inland Revenue have announced changes to dividend taxation. If you have a dividend income (dividends held outside of an ISA) of £5,000 or less per year you will pay no tax on your dividends, even if you are a higher rate tax payer.

Your dividends are covered by the new £5,000 dividend allowance. However, basic rate tax payers earning dividends above £5,000 will have a new tax charge to meet and the onus is on the individual to declare this to the Inland Revenue

Staff News

‘Team Sabre’ to get muddy again!



After successfully conquering the Race for Life's Pretty Muddy 5km last year and raising over £3,000, the team have decided to face the challenge again on 23 July 2016.

Sabre's Jo Massey said 'We all had such a brilliant time and it is such a worthy cause that we decided to run again. We are hoping to raise more than last year'

The team will be raising money through their Just Giving page www.justgiving.com/SabreHind/ and welcome any support you can give.

Sabre's newest recruit is Rob Came who is joining the commercial insurance team at Sabre Insurance Services as a trainee account executive.



Rob (21) has always lived locally and attended Kingsbridge Community College, since leaving the college he has worked for both Endurance Life and Thurlestone Golf Club where he was able to pursue his great love of golf.

Having now decided that the world of Insurance and Finance is his chosen career path he will shortly embark on the Chartered Insurance Institute exams towards being qualified to advise clients on their Commercial insurance needs.

He starts at Sabre on 16 May in the Holiday Home and Let Property department.