Cranleys
CHARTERED ACCOUNTANTS



CRANLEYS' CUNNING PLANS · No. 18 · GROWING

Risk, Insurance and Plan B Checklist for Business Owners

Tick it, print it, pin it up. Every box you cannot tick is a conversation worth having.



By Colin Davison FCA, Managing Partner, Cranleys Chartered Accountants. In practice since 1998. Reviewed 15 November 2026 against the 2026/27 rules.

THE QUICK ANSWER

List what could stop the business, then decide whether to avoid, reduce, insure or accept each risk. Check legal cover such as employer's liability, add cover for key people, cyber and business interruption, hold a cash reserve and sign powers of attorney.

THE KEY FIGURES

The key facts	What to know
Employer's liability	legally required, at least £5m
Reserve	at least three months of overheads
Key cover	key person, shareholder, cyber, business interruption

The checklist, box by box

	The check	What to do	Keep as evidence
☐	**Have you listed the risks?**	Loss of a customer, a key person, a supplier, data or health.	Risk register
☐	**Is required cover in place?**	Employer's liability is legal. Others depend on your work.	Policy documents
☐	**Is key person risk covered?**	What happens if the owner or a key manager cannot work?	Key person plan
☐	**Is there a cash reserve?**	Three months of overheads is a typical target.	Reserve account
☐	**Are contracts and data protected?**	Limit liability and protect customer data.	Contracts, policies
☐	**Are lasting powers of attorney signed?**	Someone must be able to act if you cannot.	Signed documents

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MY PRO TIP

insure against what would end you, not what annoys you.

A worked example

A business with monthly overheads of £18,000 wants a three month cushion. That is £54,000 held in cash. If sales stopped, it buys time to decide, not panic.

The trap to avoid

Assuming insurance covers everything. Read exclusions and check what triggers a claim.

The Rufus test

One question that tells you if you have the right adviser:

If the business lost its biggest customer or its key person this month, what is the written plan?

What has changed recently

- Tax investigation cover is available. See the HMRC compliance checklist.
- A strong Plan B helps buyers. See the sale-ready checklist.
- Funding the cushion. See the scaling cashflow checklist.

Questions I get asked

What insurance does a small business need?

Employer's liability if you have staff, and often public liability, professional indemnity and cyber cover, depending on your work.

What is key person insurance?

Cover that pays out if a person vital to the business dies or is seriously ill.

How big should my cash reserve be?

Many aim for at least three months of overheads.

Do I need lasting powers of attorney?

They let someone you trust act for you if you lose capacity.

The 9 CAD Keys link: Dexterity

Dexterity is bouncing back. A Plan B you have written down is more agile than one you hope you have.

Colin's 9 CAD Keys. CORE: Clarity, Capability, Consistency. ADVANCED: Analysis & Positioning, Alignment, Acceleration. DYNAMIC: Differentiation, Dexterity, Development. Score each key 1 to 5 in the free Business Value Assessment Scorecard, total out of 45. *Freedom is built. One CAD Key at a time.*

Tick these next

Business checklist 10 Growing Without Going Broke: Scaling Cashflow Checklist	**Business checklist 16** Systems, Delegation and Getting Out of the Way Checklist	**Business checklist 21** Getting Sale-Ready: Clean Accounts, Contracts and Team Checklist	**Tax checklist 22** HMRC Compliance, Enquiries and Penalties Checklist 2026/27

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Go deeper: my books

For this topic, start with **Business Growth Secrets**, part of The Cranleys Business and Tax Secrets Series: Property Tax Secrets, Inheritance Tax Secrets, Business Tax Secrets, Starting Up Secrets, Business Growth Secrets and Business Exit Secrets. The books are launching soon. Join the launch list at cranleys.online/books and I will tell you the moment each one is released.

YOUR NEXT STEP

Ring me. Free draft plan, no hard sell.

I will build you a free draft tax plan or business plan on my 9 CAD Keys: a scorecard, a 12-month cashflow forecast, a 90-day action plan and a review with me. **1** Get in touch. **2** Short intro call. **3** Your free draft plan in plain English. You decide what happens next.

Hope for the best, tick for the rest.

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Scan to read online, tick it on screen and take the Scorecard



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