



Commercial Insurance Profile

November 2022

Supporting Employees' Mental Health

Employee mental health is a top concern for UK small and medium-sized enterprises (SMEs), according to a recent report by Marsh Commercial. Specifically, 49% of SMEs identified employee mental health and well-being as a key risk to their business—up from 30% in 2021. With high inflation and a fraught economy, it's not surprising that people are struggling. However, poor mental health can prevent workers from performing at their best.

Consequently, organisations that fail to address this growing issue may experience reduced workforce productivity. As such, employers should take steps to help staff remain healthy, motivated and focused. The following tips can help employers aid workers' mental health:

- **Create a culture of support.** Employers should send a clear message to staff that it's OK to discuss mental health concerns. Explaining that mental health will be treated the same way as physical health is one simple way to do this. This concept can be reinforced by creating a clear mental health policy that's disseminated companywide.
- **Make workplace adjustments.** There are numerous cost-effective ways to support staff struggling with mental health concerns. Options include flexible working hours, provision of quiet rooms and time off for medical appointments. Regardless, it's crucial to work with individuals to assess their specific needs and consider creative workplace solutions to address these.
- **Train managers on mental health concerns.** A strong manager-employee relationship is vital in ensuring that staff are able to receive support quickly when needed. Furthermore, by intervening early, employers might prevent workers' mental health concerns from developing into larger health issues. Managers should be provided with guidance on how to normalise conversations about mental health. Listening, showing empathy and being approachable are all qualities managers should be trained to adopt.
- **Support absent employees.** How absence due to illness is managed is often key in shaping how quickly employees feel able to return to work. As such, employers should remain professional and supportive while workers are absent, communicate regularly and consider sending a "get well soon" card to show support.

For further workplace well-being guidance, contact us today.

Tips for Preventing Insolvency

Insolvency describes a position in which a company can no longer pay its debts; for example, it can't pay its bills when they become due or it has more liabilities than assets on its balance sheet. A company that is insolvent is at risk of shutting down altogether.

Corporate insolvencies rose sharply across England and Wales in the second quarter of 2022. In fact, 5,629 company insolvencies took place between April and June, representing a 13% increase from the previous quarter and an 81% rise over same period in 2021, according to government research. Furthermore, voluntary liquidations have reached their highest levels since the 1960s. Thus, it's important for organisations to consider how to prevent insolvency. The following tips may help:

- **Analyse and improve cash flow.** While stocks and assets are nice to have on the books, their value could depreciate. As such, organisations should consider selling off unnecessary or underused stocks and assets to inject business liquidity. If necessary, they may also consider invoice financing or asset-based lending—where companies pay a percentage of an organisation's outstanding invoices to improve interim cash flow.
- **Unclog incoming payments.** Organisations can review payment terms with remaining clients to ensure a free flow of cash into the business. Clients should be invoiced regularly, accurately and on time. If customers or suppliers owe monies, swift action must be taken to recover these.
- **Reduce overheads.** Expenditures can be reduced by assessing cost-cutting strategies. Specifically, organisations may consider relocating to a more affordable premises, reviewing staffing requirements and temporarily cutting back on any “soft” business expenditures (eg advertising).
- **Negotiate with creditors.** If possible, organisations should talk to suppliers and creditors to negotiate manageable payment terms for any debts owed. Additionally, they can contact HM Revenue and Customs about its [“Time to Pay”](#) arrangement that may allow tax liabilities to be paid in instalments.

For more business mitigation strategies, contact us today.

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