



# Employers Liability

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## Do I Need It?

Employers Liability Insurance is a Legally Required cover if you are hiring any employees.

Under the current law, you will need Employers Liability if someone works for you where:

- You deduct National Insurance and Tax from their wage
- You have the right to control where and when they work and how they do it
- You supply their work materials and equipment
- You have a right to any profit your workers make
- You require only that person to do the work and they cannot employ a substitute if they are unable to do so
- They are treated in the same way as other employees

The above can apply to not only 'traditional' employees but also to volunteers, certain types of Sub-Contractor (insurers refer to them as Labour Only Sub Contractors), apprentices and in some cases even a friend that is helping you out.

If you are found to not be holding Employers Liability insurance when you should do so, you can be fined up to £2,500 for every day that you are not properly insured.

### **What Does it Cover?**

This provides cover for injury or illness of your employees which arises during the course of their employment. This has become an important type of cover for employers to have, made evident by the number of solicitor adverts urging claims to be made from workplace injuries.

Employers Liability Insurance is on a 'claims occurring' basis and not a 'claims made' basis. This means that if a claim is notified to you which happened a few years ago, it is the insurance policy that was active during that year that will pay out, not your current policy. Therefore, it is important to maintain a record of who has held your Employers Liability insurance so that claims can be redirected quickly.

### **What Cover Do I Need?**

The legal minimum limit for this cover is £5million but most insurers will offer £10million as standard.

### **How Do I Get A Quote?**

Employers Liability Insurance is usually packaged up with your Public and/or Products Liability Insurance.

To get an accurate quote, insurers will require either the number of employees or your total wage roll, either actual or estimated, for the following categories:

- Clerical, Sales & Managerial
- Non-Manual
- Manual Work on the Premises
- Manual Work away from your Premises
- Work Away from the Premises that involves Heat (e.g. welding, angle grinding)
- Woodwork
- Drivers



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