



8: INSURANCE

Key points

1. Employers are required by the law to insure against liability for injury or disease to their employees arising out of their employment.
2. Employers' Liability Insurance is a legal requirement for anyone who is or becomes an employer.
3. Public liability is advisable but is not compulsory.
4. Direct Payment Support Workers have information on various insurance policies.

This advice sheet contains information that should help you to understand what is required. It is **not a legal interpretation** of the Employers' Liability (Compulsory Insurance) Act and it has no legal status. You should be aware that only the courts can authoritatively interpret the law.

What is 'Employers' Liability Insurance'?

- It is insurance cover that you take out as an employer against claims made by your employees.
- **You are responsible for the health and safety** of your employees while they are at work (Please refer to Guide to Employing a Personal Assistant available from your Direct Payments Support Worker)
- Your employees may be injured at work, or they or your former employees may become ill as a result of their work while in your employment. They may try to claim compensation from you if they believe you are responsible.
- The Employers' Liability Compulsory Insurance Act 1969 ensures that you have at least a minimum level of insurance cover against any such claims.
Employers' liability insurance should enable you to **meet the cost** of any

compensation awarded to your employees for injuries or illnesses resulting from their employment.

- **Note however** any injuries or illnesses relating to **motor accidents** that occur while your employees are working for you may be **covered separately** by your **motor insurance**. If your P.A. drives your vehicle (the employers car) It is **advisable to check with your car insurance company**. If your P.A. has their own car and uses it to take you anywhere you **need** to advise your P.A. **to check with their car insurance company**.

Public Liability Insurance.

- **It insures** you for claims made against you by **members of the public** or **other businesses**,
- **But not for claims made by employees.**
- While public liability insurance is generally voluntary, **employers' liability insurance is compulsory.**
- You can be fined if you do not hold a current employers' liability insurance policy that complies with the law.

Which insurance companies can sell me employers' liability insurance?

- You must use an authorised insurer, if you do not, you may be breaking the law. Household Insurance policies (Buildings and Contents) are not adequate.
- Authorised insurers are individuals or companies working under the terms of the Insurance Companies Act 1982.
- You can check whether a company is authorised by telephoning the Insurance Directorate, HM Treasury, Room 5.H.26, 1 Victoria Street, London, SW1H 0ET or telephone 0171 215 0204 or fax 0171 215 0437.
- If you take out employers' liability insurance, you will have an agreement with your insurer about the circumstances in which they will pay compensation. For example, the policy will cover the specific activities, which relate to your business.

However, this does not mean that you can forget about your legal responsibilities to protect the health and safety of your employees. For example, you must carry out

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a risk assessment, take practical measures to protect your employees and report incidents. If your insurer believes that you have failed to meet your legal responsibilities for the health and safety of your employees and that this has led to the claim, the policy may enable the insurer to sue you to reclaim the cost of the compensation.

Your Direct Payments Support Worker can provide you with the contact details and application forms for companies providing Employers Liability Insurance, but under Financial Service Authority (FSA) regulations cannot recommend or go into any detail about individual Insurance Brokers or Companies. It is strongly recommended that you read carefully any Proposal forms, application forms and Policy documents.

Further advice on a range of subjects is available from your DP Support Worker in accessible formats.