INSURANCE

Introduction

By law, all employers in the UK must have Employers' Liability (EL) Insurance. Your Personal Assistants (PAs) may be injured or get ill as a result of working for you. If this happens, they might try to claim compensation from you if they think you are responsible. EL insurance covers you for the cost of this compensation.

It is illegal for you to employ PAs without EL insurance and you face a heavy fine if you do not have it. You must display your EL insurance certificate where your PAs can easily see and read it.

There are other insurances that may be considered also covered in this fact sheet.

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1. Introduction

1.1 What is employers’ liability insurance?

As an employer of PAs, you must have valid EL insurance at all times.

You are responsible for the health and safety of your PAs whilst they are working for you and you must make sure you complete a thorough risk assessment to protect minimise and remove hazards in your workplace. In some unfortunate circumstances, your PAs (or former PAs) may be injured at work or become ill as a result of their work for you. If this happens, they might try to claim compensation from you if they believe you are responsible.

Employers’ liability insurance ensures that you have at least the minimum level of cover in case you have to pay the PA compensation and/or legal costs. You must be insured for a minimum of £5 million. Most insurers automatically provide cover of at least £10 million.

1.2 What happens if I do not have employers’ liability insurance?

The Health and Safety Executive (HSE) enforces the law on EL insurance. HSE inspectors carry out spot checks to ensure employers have valid EL insurance with an approved insurer for at least £5 million. If they visit you, they will ask to see your EL insurance certificate and other relevant documents.

You can be fined up to £2500 for any day which you are without EL insurance. If you do not display the insurance certificate or refuse to make it available to HSE inspectors when they ask, you can be fined up to £1000.

1.3 Purchasing employers’ liability insurance

Your EL policy must be issued by an authorised insurer otherwise it will not be valid or legal. Authorised insurers are individuals or companies working under the terms of the Financial Services and Markets Act 2000 and will be a member of the Association of British Insurers. The Financial Conduct Authority (FCA) maintains a register of authorised insurers. You can check whether a company is authorised by searching their register on http://www.fca.org.uk/ or telephoning the FCA on 0300 500 8082 or 0800 111 6768.
In section 3 of this factsheet there is a list of providers that DP customers typically purchase EL insurance from.

2. Additional insurance

EL insurance is the only compulsory insurance however there are other types of insurance that you may wish to consider. Many EL insurance policies offer additional cover including some or all of the following features:

- Public liability insurance
- Staffing costs (redundancy, emergency recruitment etc)
- Financial loss (theft, fraud, negligence etc)
- Personal accident
- Legal costs
- Help and advice resources

Most insurers offer a **basic** policy and an **enhanced** policy. Basic policies usually just include EL insurance (and often public liability insurance) whilst the enhanced policies include additional features such as staffing costs, financial loss cover and personal accident cover.

If you are considering taking out a policy for a specific reason eg you particularly want redundancy cover you should read the exclusions very carefully and check you still want the policy for that reason.

Exclusions are limits to the cover which mean that you will not receive a payout in certain situations e.g. EL claims may not be paid if they are the result of deliberate or malicious acts and personal accident claims may not be paid if the individual was engaging in certain sports or criminal activity.

2.1 Public liability insurance

Public liability (PL) insurance covers you for damages awarded to a member of the public because of injury or damage to their property caused by you (‘the employer’) or your PAs in the ‘workplace’. It usually also covers any related legal fees, costs and expenses.

All of the insurance policies featured in section 3 of this factsheet include PL insurance as an additional feature in both their basic and enhanced policies. You
must have PL insurance if members of the public will be in the workplace (this includes situations where your PA takes you out of your house).

2.2 Protecting your home and possessions

Enhanced EL policies often provide cover against damage to your property resulting from theft, fraud or negligence.

If you wish to protect your home and possessions specifically you should discuss this with the insurer who will be able to advise you on what their policy includes.

2.3 Legal expenses

Legal expenses insurance covers the cost of pursuing legal action or defending yourself against legal action. The insurer will pay fees and expenses for solicitors, barristers, accountants and expert witnesses, as well as court costs and opponents’ costs if you are ordered to pay them in a civil court.

If you require legal expenses cover you should discuss this with the insurer who will be able to advise you on what their policy includes.

2.4 Clinical Indemnity

Some insurers will insure PAs to carry out a wide range of complex healthcare tasks, provided they have proof of appropriate training. If a PA causes an injury to the person they are supporting, this may result in a clinical negligence claim against the PA by or on behalf of the person they are supporting.

2.5 Insurance for PAs

There are also specific policies designed to protect PAs from claims against them, for example where the PA accidentally harms the employer (e.g. spilling a cup of hot tea on the employer).
3. Insurance providers

The insurance providers listed below sell EL insurance policies that are tailored for DP customers. However, this is not a comprehensive list of insurance providers and you may wish to choose another approved provider.

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<td><a href="mailto:admin@fishinsurance.co.uk">admin@fishinsurance.co.uk</a></td>
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<td>0113 247 1444 or 0345 040 0001</td>
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<td>Mark Bates Ltd</td>
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This factsheet has been produced by Independent Lives for use within its advice and support services. We aim to ensure the information is as up to date and accurate as possible but do be aware some of the content is subject to change.

If you would like further advice on this topic or to access to any of the factsheets or support sheets referred to in this document please visit www.independentlives.org or call us on 01903 219482.

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