

## Specialist Businesses Insurance Cover

### Insurance advice for skip hire and waste transfer companies

There are at least seven different classes of insurance risks that skip hire and waste transfer operators need to consider, from the obvious vehicle and liability insurance through to property and plant cover to the less considered management liability risk. We will look at each of these with the view to providing advice on to how get the correct cover at competitive rates.

#### **Vehicle insurance v motor fleet cover**

If a company is operating more than one vehicle but less than five, we would normally recommend cover on a “multi-vehicle” policy. Each vehicle will earn its own no claims bonus and additional vehicles added will normally qualify for an introductory discount. Having all the vehicles under one policy with a common renewal date also helps from an administration point of view.

For companies with more than five vehicles, fleet insurance becomes a viable option. Rather than having no claim bonus on individual vehicles the insurers allow an overall fleet discount across all the vehicles. Insurers look at the premium they have collected in relation to claim payments and for well-run risk can be offering discounts of 60% plus. Fleet insurance can work well for expanding businesses as additional vehicles automatically benefit from the fleet discount. One or two minor claims during the insurance year may not have much impact on the premium; however it is worth bearing in mind that if the overall experience is bad then the fleet discount is likely to reduce and this will impact across the board.

Fleet insurance also tends to be more flexible, especially if there are younger drivers. We recommend to our clients that a vehicles risk management system is put in place and that drivers are incentivised to improve the risk.

It is important to be insured with an insurance company that acts quickly in the event of a claim, as a vehicle off the road is going to impact on profits. Finding a company that will hire a skip lorry can be a challenge as well as being expensive so having a contingency plan is a good idea.

#### **Public and Employers Liability Insurance**

Most skip operators and waste transfer stations will be required under the terms of their licences to carry at least £5,000,000 public liability insurance. Employers’ liability is a compulsory insurance for any company with employees; the normal indemnity limit is £10,000,000.

For skip hire risk the insurers will either rate the premium on the number of vehicles operated, the number of skips or the wage roll and turnover. For operators with less than four vehicles it is generally cheaper to insure on a policy that is rated on the number of vehicles. A typical premium for the public and employers risk would be around £750 per vehicle.

Waste transfer stations are normally rated on the wage roll and turnover. Insurers are now asking for a lot more detailed information on health and safety, so it is important that this is kept up to date.

It is also vitally important that insurers are fully aware of all the business activities undertaken. If an activity is not listed within the business description on the policy schedule it is unlikely to be covered in the event of a claim.

### **Property and Plant Insurance**

Arranging buildings or office insurance for waste transfer stations can be difficult with no more than a handful of insurers willing to quote. Providing insurers with as much information is the key to obtaining the most competitive rate. Distance from the nearest fire station and whether or not there is a “same day clear” policy will have a bearing on the rates the insurers charge.

Companies which operate excavators, loading shovels, trommells, shredders and other plant associated with sorting and segregating waste, may well benefit by arranging cover for these items under a specialist engineering insurance policy. If trommells are fitted with an automatic fire detection system a more competitive premium can normally be obtained.

### **Management Liability Insurance**

Most companies are willing to pay to insure their physical assets. However protecting the directors and key employees against their liability in running a business, is often neglected. Management liability will cover the legal cost and settlements if a director or key employee is sued personally as a result of their actions when running a business. A typical example would be a claim made by the Health and Safety Executive if there is a breach of H & S legislation.

### **Group personal accident cover**

Accidents can have a lasting financial effect on the injured person, their families and their employers. Although it is not possible to turn the clock back, group accident policies can relieve some of the financial burden by providing a lump sum in respect of death, or a serious injury, or a weekly benefit for less serious accidents that result in a temporary disablement.

As the policy is arranged in the company name, the benefit can be used by the company as they see fit. It could be that the benefit is paid to the employee as an

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“employee benefit” or the claim settlement could be used by the company to employ a temporary member of staff or even boost the bottom line profit.

### **Environmental Impairment**

This relatively new cover responds to the EU Directive that exposes companies to the cost of clean-up following a pollution incident. It covers historic or gradual pollution and the costs of clean-up to soil and water. Waste transfer stations have an increased risk exposure and therefore it is recommended that insurance cover is put in place in respect of sudden and accidental and gradual pollution.

If you would like further information and advice please contact our insurer specialist **Tony Gibbs** on **0118 9165 485** or complete one of our online enquiry forms.