

Employers Liability Insurance - FactSheet

Employers Liability

Employers' Liability Insurance can be a particularly difficult issue; in fact a recent survey revealed that over 210,000 small and medium sized businesses in the UK are breaking the law by operating without such cover. That means there are possibly around 1.8 million employees that have no cover in the workplace.

If you are an employer in the UK, you are responsible for the Health and Safety of your employees while they are at work. If you employ anybody in your business – even if they are part-time or casual staff, you must purchase Employers' Liability insurance.

Employers' Liability insurance is compulsory. The Government first introduced the Employers' Liability Compulsory Insurance Act in 1969. This ensured that all employers had the protection of a minimum level of insurance cover against claims from employees, should they seek compensation following injury or illness as a result of their work.

The introduction of the Employers' Liability (Compulsory Insurance) Regulations in 1998, resulted in a legal minimum cover of £5 million, although the more usual limit of indemnity offered by insurers is £10 million.

Employers' Liability policies cover injury that is caused during the period of insurance. Consequently, when injury or disease manifests itself years after the original cause, for instance an industrial disease, there is a need to identify the Employers' Liability insurers dating back to the when the original cause occurred.

You should display your Employers' Liability certificate in a prominent position within your usual place of work, as you may need to produce it on demand. Failure to do this may result in a fine from the Health & Safety Executive. In addition, the certificates should be retained for a period of 40 years so you must ensure that adequate storage procedures are in place.

