



### EMPLOYERS LIABILITY

In the UK all employers, other than a few specified public bodies and, since 2004, sole traders, are required by law to take out an Employers Liability insurance policy covering the legal liability of the employer for any illness, injury or death suffered by their employees.

Potential claims made against you by other third parties will be covered under the Property Owners Liability.

### THE DEFINITION OF AN EMPLOYEE

Generally, someone is defined as your employee if:

- You deduct N.I. contributions and income tax from the salary you pay them
- You control when, where, and how they work
- They cannot employ a substitute when they are unavailable to work

They may not be an employee of yours if:

- They do not work exclusively for you (for example, if they operate as an independent contractor)
- They supply most of the equipment and materials they need to do the job; you do not deduct income tax or national insurance

If you do not have employees then you do not need to purchase Employers Liability Insurance but if you are in any doubt whether someone is an employee or not should take legal advice.

### HOW MUCH COVER DO I NEED?

If you are required to take out Employers Liability insurance, you must be covered for at least £5 million. In practice, insurers will offer £10 million of cover as standard.