

Liability Insurance for Beginners

Liability insurance, also commonly known as public liability insurance is something that all self-employed persons should consider even as early as when writing their business plan. Liability insurance should be considered a necessity for all self employed people whether they are manual, clerical or a professional trade who wish to protect their business.

The standard benefits of a public/products liability policy are that you are insured for your legal liability for injury, illness or disease to any member of the public, loss of or damage to their property occurring during the period of insurance. For example if you are a plumber and accidentally flood a property you are working on, the cost of the damage will be covered under your liability policy.

With a public liability insurance policy you normally have three standard options for your level of cover required. The limits of indemnity are £1,000,000, £2,000,000 and £5,000,000. The limit of indemnity that you are covered for simply means that the insurance policy will cover any insured peril up to the limit required ie £1 million. When choosing the level of cover you require you should consider the value of properties that you work on. For example if you work on a school you should have a public liability level of indemnity that is sufficient to rebuild the school if required. If you work on very large properties you may require a level of indemnity in excess of £5 million. This can be arranged by purchasing an additional liability policy called an excess layer. This policy is in addition to the standard policy and can increase the level of indemnity to £10,000,000.

Employers liability insurance can be added to a public liability policy. Employer's liability insures you for your legal liability for injury, illness, death disease or nervous shock of any employees caused during the period of insurance. If you

have an employee or a labour only sub contractor you are legally required to have employers liability insurance. The minimum level of employers liability insurance is £5,000,000 by law but most insurance companies have a level of £10 million. An example of an employer's liability claim is if your employee was on a faulty ladder and fell and injured themselves . Employer's liability claims are normally for higher levels than public liability claims.

Under a liability policy you can also have the optional extra cover of tools insurance and goods in transit cover. Tools covers are for loss or damage to hand tools and hand held portable tools owned or hired in by the insured. The level of tool cover is normally from £1,250 to £2,500 with a single article limit of £250 approximately. Tools cover can also be increased to include theft from an unattended vehicle. Goods in transit can also be included for up to £2,000 for any one occurrence.

Finally before purchasing a liability policy you should make sure the insurance company and the insurance broker are regulated by the Financial Services Authority. The Financial Service Authority (FSA) regulates all British insurers and brokers. This regulation is to protect the customer. Also due to this regulation insurers must provide what is known as key facts or a policy summary for any insurance policy they have available. These are perfect if you want a quick overview of what the policy does and does not provide cover for.

An instant quotation can be gained by clicking the following link <http://www.ashburnham-insurance.co.uk/public-liability-insurance.html>

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