



## Do You Have Employees?

**Do Property Owners Need Employers' Liability Insurance?** If you employ someone it is a legal requirement to have Employers' Liability Insurance. There is the possibility of fines of £2,500 a day if you fail to do so!

Employers' Liability Insurance ensures that an employer has the financial resources to defend a claim and meet compensation costs that result from an employee being injured whilst at work or becoming ill as a result of their work.

**Who qualifies as an employee?** Whether someone is classed as an employee is not determined solely by whether you pay them with PAYE/NI deducted or whether they are called employee or not.

**Labour only sub-contractors and volunteers** are both likely to be considered employees for the purposes of Employers' Liability Insurance. The deciding factors are the nature of the relationship and the degree of control over the work. If the answer to any of the following is 'yes' you are likely to need to have Employers' Liability Insurance.

- Do you deduct national insurance and income tax from the money that you pay?
- Do you have the right to control where and when they work and how they do it?
- Do you supply the work materials and equipment?
- Do you have the right to the profit the workers make?
- Do you require only that person to deliver the service and not a substitute if they are unable to work?
- Do you treat them in the same way as other employees? e.g. they do the same work under the same conditions as someone else you employ.

**Directors** of companies are employees for the purposes of Employers' Liability Insurance (the exception being where there is only one director who also owns 50% or more of the company's share capital).

**Family businesses which are not limited companies** where all the employees are closely related are not legally required to have Employers' Liability Insurance in place. (Spouse, civil partner, parents, grandparents, stepparents, children, step children, grandchildren, siblings, half-brother or half-sister).

**Buying Employers' Liability Insurance.** Employers' Liability Insurance is a cover option under a Property Owners Policy. The additional premiums for this cover can be pleasingly small and certainly considerably less than £2,500 per day! Get a quote and find out for yourself.

Many policies now define the types of people/employees who will or will not be covered by public liability and employers liability cover so if you are unsure check your policy or ask one of the Qualitas Team.

*You have a responsibility for the Health & Safety of your employees whilst they are at work including carrying out risk assessments and taking all reasonable measures to protect them. For help with these responsibilities sign up for our Risk Management tool, Risk Partner – it is FREE – go to [www.qualitasinsurance/extras](http://www.qualitasinsurance/extras)*