

Liability Insurance – Is your level of indemnity adequate?

At the start of May we issued 'Quick Note – Personal Injury Awards' detailing a change in the calculation of personal injury awards. In summary those unfortunate enough to suffer a serious injury or work related illness now receive a significantly higher claim award than would have been the case before March 2017.

Example Claim

For illustration purposes we have detailed an example claim*

A 30 year old male earning £25,000 net per annum suffers a serious injury in an accident that results in him being unable to return to work and requiring nursing care for the rest of his life.

The lump sum settlement made would be

- Pre 20/03/2017 : £2,791,000
- From 20/03/2017 : £6,325,000

*source Allianz March 2017

Liability Insurance - Limits of Indemnity

Businesses need to consider whether their liability policies have an adequate limit of indemnity to provide compensation following a serious incident involving one or more people.

Employers Liability

It is a legal requirement for employers to have Employers Liability Insurance cover. In most instances insurance companies provide a £10,000,000 limit of indemnity as standard.

Public Liability

For most businesses Public Liability Insurance is not a legal requirement, however, the majority see the benefit of having cover to

- protect themselves from the financial impact of a serious incident
- provide the funds to compensate those unfortunate enough to be injured

Most insurance companies can offer limits of indemnity of one, two and five million pounds. Ten million pound limits of indemnity can also be achieved. If the level of indemnity you require is not offered by your existing insurance company a separate 'top up' policy (or Excess Layer) can usually be purchased to bridge the gap.

How Qualitas can help

Limits of Indemnity below five million pounds now seem inadequate to meet a claim resulting from a serious incident. Business owners and leaders should consider the potential for a serious incident, their own attitude to that risk and whether they wish to transfer the financial impact of that risk to an insurance company.

Limits of Indemnity of five and ten million pounds are available and the premiums are not generally prohibitive. If you would like to discuss your limit of indemnity or investigate the premium to increase the level of indemnity for your business please call us on 01684 217555.

Qualitas Insurance Brokers
The Old Fire Station, Mill Street. Tewkesbury, Gloucestershire GL20 5SB

16/08/17