

## Employers' Liability Insurance

Employers' Liability (EL) cover enables businesses to meet the costs of compensation and legal fees for employees who are injured or made ill at work through the fault of the employer. It also means that employees injured due to an employer's negligence can seek compensation even if the business goes into liquidation or receivership.

By law, an employer must have EL insurance and be insured for at least £5 million. Most insurers automatically provide cover of at least £10 million. EL insurance must cover all your employees in England, Scotland, Wales and Northern Ireland.

If your business is not a limited company, and you are the only employee or you only employ close family members, you do not need compulsory Employers' Liability insurance. With effect from early 2005, limited companies with only one employee will also be exempt from compulsory EL insurance.

The HSE is responsible for enforcing the law on EL insurance. You can be fined up to £2,500 for each day that you do not have appropriate insurance.

### Who is defined as an employee?

Generally, someone is your employee if:

- you deduct National Insurance 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 unable to do the work

### Getting Cover

Your policy must be issued by an authorised insurer otherwise it will not be valid and you risk breaking the law. For a free quotation contact Affinity Select Insurance Services Limited by post at Rams Cottage, Eastbourne Road, Lewes East Sussex BN8 6PS or by telephone on 0870 991 7777, Fax 0870 991 3778 or email [el@asisltd.co.uk](mailto:el@asisltd.co.uk)

When you take out a policy you will receive a certificate of Employers' Liability insurance. You must display a copy of this where employees can easily read it and keep copies for at least 40 years. You need to make these certificates available to health and safety inspectors on request or risk a fine of up to £1,000.

### Useful numbers:-

HSE Information Line  
08701 545 500

Department of Work and Pensions  
Public Enquiry Office Helpline  
020 7712 2171

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