

Insurance for start up and established businesses

Everyone needs insurance in some form or another and it provides an important and necessary part of protecting the business you are working/have worked so hard to establish. I hope this short guide will be useful in getting around a subject most people would prefer to spend as little time as possible on!

What is the name of the type of insurance I need?

Insurance –do I need it?

Employer's Liability

If you employ anyone this insurance is compulsory. It doesn't matter if it's on a self-employed basis, agency staff or work experience.

Protects you against claims made by anyone working for you in respect of accidental injury to them. Most insurers have a standard sum insured of £10,000,000.

Perversely, although this is the only compulsory insurance, you can rarely have it in isolation and it usually bought with Public Liability.

Public Liability

Protects you against claims made for injury to others or damage to their property caused by your negligence in the course of your work. The minimum sum (called limit of indemnity) £1,000,000. However, higher limits may be required depending on your business.

Products Liability

Protects you against claims made against you for injury or damage caused by the product you have supplied. If you are the manufacturer, you will have an increased risk and this maybe one of the most important and necessary insurances.

Asset Protection

Cover against losses to your equipment, stock, business premises etc. Policies protect against fire, water damage, impact, theft and accidental damage but the amount of cover is important so that any damage or loss can be replaced in full

Business Interruption (also known as Loss of Profits)

Whilst this can be left to one side when starting a business and money is tight, it is a very important but often neglected insurance. Here's a scenario: your premises are flooded. You cannot trade there for at least 8 week while it dries out and the electrics are repaired. You have a job that is time critical but have lost your stock, have no power and your equipment is damaged beyond repair.

What's the point in getting your damaged equipment replaced if you have lost your customers in the ensuing chaos? How will your business recover financially?

This is just a brief outline which I hope will allow you to make some sense of what might need to be included in your business plan. The cost? This is more difficult as each business is individual. As an independent insurance broker we can advise on the minimum you need, help work out a time-scale for an additional covers you may need and when and try to keep costs within your budget.

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