

# Jelf Business Insurance 101


The Basics

**Jelf.** SMALL  
BUSINESS

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Let's face it; buying insurance isn't the most glamorous task in the world. So when you get around to arranging insurance, the last thing you want is to be blinded by terms and technical jargon.



Here's the good news, it doesn't need to be a complicated process. Let's take a quick look at the different types of business **insurance** available, so you can decide what's right for your business.



## What insurances do you **legally** require?

Firstly we'll look at the insurances you're legally required to have whilst operating a business.

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### **Employers' Liability**

Do you have anyone who works for you? If your answer is yes — even if they are employed only temporarily or part time, you're required by UK law to have Employers' Liability insurance. This is required to cover the compensation costs for injuries, illness or disease sustained while working for you. The fine from **Health and Safety Executive** for not having Employers Liability insurance can be £2500 per day. The only exceptions apply if you employ a member of your close family and you are not incorporated as a limited company. Some sub-contractors are classed as employed too – it all depends on whether they are working with you on a labour only basis, or as a bona fide contractor. If you have any doubts call us, we know the difference and can give you the correct advice.

### **Motor Insurance – Trucks, Vans and Cars**

Are you or your employees using a vehicle for business related activities? This could involve activities like deliveries, collections, or call-outs, if so then you'll need to arrange business specific motor insurance. This is different from personal motor insurance as it's designed to cover you for business activities. Don't cut corners here by relying on your personal cover; or you could find yourself with a hefty bill, or even uninsured, should anything happen while you or your employees are out on the road.

### **Engineering**

Does your business rely on machinery? If your business uses machinery like boilers, lifts and lifting machinery; you'll know they need to be inspected regularly by a qualified person. Did you know that this can actually be arranged by your insurer? And at the same time they can provide you with insurance for repair and reinstatement if anything goes wrong.



## Looking to cover your **financial interests**?

Now we'll look at the types of cover you can get that protect you against compensation and legal costs.

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### **Public Liability and Products Liability**

While you're not legally required to insure against being sued by your customers or the wider public, you do have legal responsibilities to them. Purchasing Public Liability and Products Liability (often sold together) will cover for claims made against you — in case a member of the public suffers injury or damage to their property as a result of you running your business.

### **Professional Indemnity**

These policies cover the types of businesses that offer knowledge, design, specification or advice and cover you against the compensation made from claims from people who feel you have made an error or omission that has had a financial impact on them.

### **Directors and Officers cover**

Your senior management team are the lynchpin of your organisation. Did you know that they can be held personally responsible for the company's activities and fined or jailed as a result? This cover provides your directors with cover for defending against these types of claims.

### **Trade credit**

What would you do if your creditors couldn't pay their debts to you? Trade credit cover protects you against the risk of not paying your bills because your customers can't pay their debts to you.

### **Fidelity Guarantee**

If you employ workers, no matter how well you think you know them or have vetted their recruitment, you could be the victim of theft. By taking out a fidelity guarantee you can make sure that any losses from acts of employee theft are protected.

### **Key Person**

Does your business rely on key team members in order to function? Key Person insurance covers you against the loss of key team members due to sickness or death. This is useful when your income relies heavily on people you'd struggle to replace.

### **Legal Expenses**

Amongst other things, Legal Expenses cover provides defence costs and accountants fees for Inland Revenue investigations, and in many instances will give you access to a free legal, tax and business helpline.



## **Do you have **property** you need to protect?**

So you've covered your financial and legal insurance requirements, but what about the property you own or lease? We'll now break down some of the different insurances you can get in order to protect your customers' property or your own.

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### **Buildings and contents insurance**

Do you own your property and does it have contents you'd like to protect? Buildings and contents insurance protects you against a range of risks to your property and its contents, from burglary to fire and flooding. This can be for a building you own, to improvements you have made for a building you rent, or for any stock, contents and equipment you have spent time and money sourcing.

### **Business Interruption**

Your business has been gutted by a fire and the insurer is paying for the rebuild. However you still have customers to service. If this is a concern for you, Business Interruption insurance can help keep your business afloat following a claim. It does this by covering lost earnings and increased cost of running after an incident

### **Terrorism insurance**

If there was a terrorism scare and police had cordoned off the area this could lead to a loss of trade for your business. Would your insurance allow you to make a claim? Many standard policies exclude cover for loss and damage from terrorist related events. Terrorism insurance can be added to property insurance to cover potential losses from damage caused.

### **Goods in transit**

Does part of your job include delivering items to customers? If so, you should consider purchasing Goods in transit insurance. This covers goods that may be owned by you or someone else, but you're responsible for, that are lost, stolen or damaged while being transported from place to place.

### **Money insurance**

Do you take cash you've earned to the bank regularly? Money insurance is similar to Goods in transit but covers cash being moved from one place to another. It can also cover cash stored in your safe or on your premises.

## Any Questions?

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**This list doesn't cover all the insurances available to businesses, and there is no simple answer to which ones you should get or when, but a broker should be able to help make the right decisions for you to get the right mix for the right price. If you'd like more information and help on the types of insurance your business might need, give the team a call on **01905 888397** or email **[contactus@jelfsmallbusiness.co.uk](mailto:contactus@jelfsmallbusiness.co.uk)** and we'll call you back.**