



## Work Experience and Employers' Liability Insurance

### What is it?

Employers' Liability Insurance covers the cost of compensating employees who are injured at or become ill through work. A young person on work experience will be classed as an employee. The policies must provide cover of at least £5 million per occurrence, although most policies cover up to £10 million.

EBP South will not approve any work placements if the employer does not have 'Employers' Liability Insurance' in place.

### Do you need it?

If you are an employer and you employ one or more employee(s), you are legally obliged to have Employers' Liability Insurance. You can be fined up to £2,500 for every day you do not have appropriate insurance.

'Employers' Liability Insurance' usually covers the cost of compensation and any associated legal fees to cover claims made by an employee who has suffered an injury at work or become ill as a result of their job.

### Who does it cover?

Your existing Employer's Liability Insurance policy will cover work placements, provided your insurer is a member of the Association of British Insurers (ABI) or Lloyds so there is no need for you to get any additional Employers' Liability Insurance if you take on work experience students. The ABI website confirms this.

For many insurers, a definition of who is to be treated as an 'employee' would include:

- Any person employed under a contract of service or apprenticeship.
- People on work experience schemes, for example; students.

If in doubt, always check with your current insurance provider to discuss if you have adequate insurance cover.

### Exempt business

Some businesses are not required to have Employers' Liability Insurance, including:

- Companies with no employees.
- Family businesses – provided the family business is not a limited company and there is a direct family relation between employer and the employee(s) Employers' Liability Insurance does not need to be obtained.



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### Sole Traders

Any person seeking to offer work experience to a student who does not have an existing Employers' Liability Insurance policy (for example; sole traders) MUST take out 'Employers' Liability Insurance for the duration of the work experience in order to be covered.

Below are two types of insurance that get mistaken for 'Employers' Liability Insurance'. You may already have these policies in place, but these below will not be adequate coverage for work experience.

**Public Liability** – This provides cover for injuries to the public or damage to, or loss of, their property. The term 'public' means anyone other than an employee.

**Professional Indemnity** - This is a type of insurance that protects the employer or their business if they are successfully sued because the advice, design, specifications, or instructions the employer provided resulted in financial loss to a client.

### How to get Employers' Liability Insurance

**Buy directly from an insurer** – you can buy directly from an insurer, such as Hiscox, Lloyds Bank or AXA or one of the members of the Association of British Insurers (ABI).

**Buy through a broker** – you can buy through a broker or trade association, such as the British Insurance Brokers' Association (BIBA)

Add to an existing policy – you can add Employers' Liability Insurance to an existing business insurance policy that you currently take out for either professional indemnity or public liability.

The cost of your premium will depend on several factors, including the number of employees you have, the type of business you run and your previous insurance claims history.

### Links for further information

**List of ABI Members** - <https://www.abi.org.uk/about-the-abi/abi-members/?p=4&sw=a>

**ABI Employers Liability** - <https://www.abi.org.uk/products-and-issues/choosing-the-right-insurance/business-insurance/liability-insurance/employers-liability-insurance/>

**ABI Work Experience Students** - <https://www.abi.org.uk/products-and-issues/choosing-the-right-insurance/business-insurance/liability-insurance/employers-liability-insurance/work-experience-students/>

**HSE – Young people at work** - <https://www.hse.gov.uk/young-workers/employer/work-experience.htm>