

# Taking in personally

Employment legislation, compensation and blame culture.

Does your business insurance measure up?

## Employment legislation, compensation and blame culture. Does your business insurance measure up?

Running a business is becoming increasingly complex, compounded by extra regulation, advances in employment legislation, new laws and the growing compensation and blame culture. This has meant that the traditional insurances recommended to you by some brokers are unlikely to be sufficient to protect you against all claims that may be made now against your business or you personally.

It used to be sufficient to protect yourselves against employees who are injured or suffer illness at work and from claims from third parties as a result of injury or property damage because of something you have or have not done. However, there are now a large number of other areas where you can be sued. These risks have the potential to seriously affect your business or perhaps, more frighteningly, can mean your own personal bankruptcy, losing everything you have worked for. A whole range of extra covers have been designed to mitigate these extra risks which now should be considered as part of your insurance portfolio.

**The major ones are:**

### Directors & officers liability

This is perhaps the most important as it protects the key people in an organisation against any personal liability they might have as a result of running the business. It also applies to charities and those taking up voluntary positions. Increasingly, directors, trustees etc are being held personally liable for acts or decisions that they make in the course of their business. This can range from corporate manslaughter, preferential treatment of creditors, discrimination, breaches of health and safety and other regulations and fraud perpetrated by other officers. The maxim seems to be if there is no one to sue, then take action against the director and/or officer, especially if he/she has some assets. It would seem sensible for most businesses to arrange cover to protect all the key people in the organisation against legal costs and most types of compensation awarded.

### Employment practices

This is a specific cover against tribunal or other civil cases made by employees. The number of instances where wrongful dismissal claims can be made is growing and so are the types of cause where Courts can award damages above the normal limit of £50,000. Recent publicity has been given to a sex discrimination case which had the potential for damages of £5m to be awarded. Provided you have good employment practices, cover against costs and awards is readily available.

### Internet & email liability

Use of this media is now an everyday part of business life but brings risks. Email libel, defamation, breach of copyright or intellectual transmission of viruses etc. Once again cover is available to protect you against any actions.

### Commercial legal expenses

As well as claims from employees, businesses can be sued for a whole range of commercial issues such as breach of contract, tax and VAT issues, data protection issues, property and neighbour disputes, breach of regulations and many others. Cover can be obtained for the legal expenses incurred or costs awarded against you and, in some cases, your own costs in pursuing a claim of your own.

When business was simple, so was insurance. As part of our service to you, we will seek to keep you abreast of new risks you may face and how you can protect yourself.

## Need to know more?

For more information contact Colin Bailey or Andrew Milverton on 0118 940 6175 at Cassey Miller James today.

Details of our offices and telephone numbers can be found on our website at [www.cmi.co.uk](http://www.cmi.co.uk)