



| CHARTERED CERTIFIED ACCOUNTANTS |



Insurance & Licences

By law, businesses aren't legally obligated to take out any kind of insurance, with the exception of employers' liability insurance in the event that employees are hired. Many business owners write off insurance as an unnecessary expenditure, however, it is an important consideration to protect yourself and your business against any potential misfortune.

Insurances

Employers Liability

- Required by law if 1 or more employee £5m worth of cover at least.
- Penalties up to £2,500 per every day of no insurance. Exceptions can be made if only immediate family members are hired.
- Will cover any injury claim made by an employee due to the work.

Professional Indemnity

- Protection against claims made by customers or clients that believe you have made a mistake in your work. e.g. breach of contracts, confidentiality, copyright, or advice leading to a loss of profit or income.
- Can cover any legal or compensation costs if claims were to be made.

Public & Product Liability

- **Public Liability** - covers against injuries or damages to the public by your business' activities. E.g. if a customer is hurt by slipping on a wet floor in your business.
- **Product Liability** - covers against injuries caused by a product that you sell.

Building & Content Insurance

- If you own both content of your office, and the office building itself you will need both building and contents insurance.
- If your place of work is being rented you will only need contents insurance.
- If you work from home, it would be astute to revise your home insurance policy as it may not cover business activities.

Key Man Insurance

- A varied form of life insurance.
- Protects against the loss or long absence of an employee or business owner that is vital to the business' success.
- Will cover any loss of revenue or the cost of finding and training a new employee.
- It would benefit a sole trader if they were unable to work for a long period.

Life & Critical Illness Cover

- Can cover you if you were to contract an illness stipulated within the policy.
- It can help pay for mortgages, rent, or debts if you are unable to work.
- As well as traditional life insurance, business protection life cover can be taken out for a shareholder, or business partner to maintain financial stability for the company.

ABI's UK Insurance and Long-term Savings Facts in 2018

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| <p>The UK is the 4th largest insurance & long-term savings provider in the world, and the largest in the EU</p> | <p>£29.5bn</p> <p>UK insurers contribute £29.5bn to the UK economy</p> |
| | <p>£43.3bn</p> <p>Was paid out each day on private motor & property claims</p> |

Licences

Whether or not you need to attain a licence for your business in order to begin trading will largely depend on the industry you are setting up in, and the type of product or service you plan to trade in.

The following are just a few examples of the types licences that a business might need:

- General Business Licence.
- Alcohol Licence.
- Forklift Truck Operating Licence.
- Driving Licence.
- Food Premises Approval.
- Entertainment Licence.
- Heavy Goods Vehicle Licence.
- DBS checks.
- Gambling Licences.
- Health & Safety Permits.
- Import & Export Licence.
- Taxi Driver Licence.

It's vitally important to understand exactly what operations your business will conduct to ensure that the correct licences to begin or continue trading have been obtained and to avoid any fines or legal action being brought against you or your business.



PROFESSIONAL



PRO-ACTIVE



SUPPORT