

CONTRACTOR INSURANCE

There are various insurances to be considered for a Service Company:

Professional Indemnity

PI provides financial protection for your company and is designed to meet the cost of defending claims made against you, including damages that may become payable. Claims can occur where a client suffers a financial loss as a result of alleged mistakes or omissions on your part, or you may even be sued by a client who is merely dissatisfied, but has no valid claim, leading to substantial legal costs and time away from contracts.

Public Liability

PL protects you against your legal liability where you accidentally cause damage or loss to someone else's property, or if you accidentally cause injury to someone whilst working at a clients premises

Employers Liability

This insurance is arranged to protect employers against claims for injury or illness brought by employees. Employers' Liability (Compulsory Insurance) Act 1998 requires that employers maintain cover to a minimum of £5,000,000 in respect of such claims. Although it is a statutory requirement, the requirement is waived where the company's only employee is the sole director.

Home Office / Equipment Insurance

This covers equipment, used either on site or in home office. Sometimes equipment may be covered under household insurance, but you need to check this, and maybe get it in writing, before assuming so.

All the above are so called "general insurances" – if you would like to be put in touch with a Professional Insurance Consultant to discuss them further, then contact details are at www.garbetts.com/insurance

Tax Enquiry Insurance

IR35 and in due course, the new Income Shifting rules, both mean that Contractors have a higher than usual chance of attention from HMRC. Tax enquiry insurance protects you against this, in one of two forms. In its simplest form it covers the costs of defending yourself and your company against HMRC attack. In its more advanced form it can be structured to cover the cost of a tax settlement on your behalf (including an IR35 finding going against you). There's a separate sheet on our www site about this insurance, which we can arrange for you and recommend is taken up

Medical & Sickness Insurance

Policies of this nature can offer you protection if you are ill and unable to work, either short term or long term. See the separate sheet on Pension and Insurance provision.

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