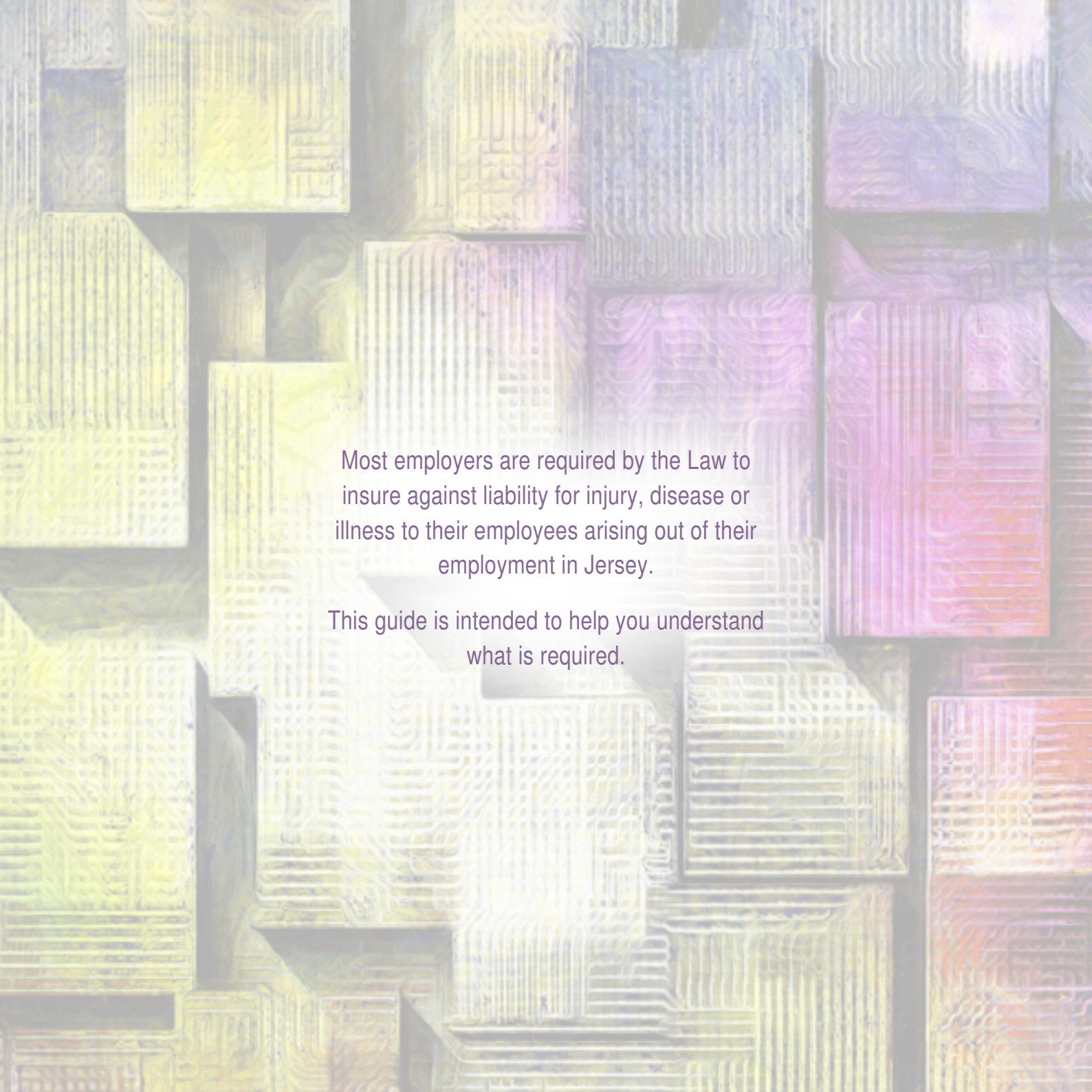




Employers' Liability Insurance

employers' guide

Employers' Liability (Compulsory Insurance)
(Jersey) Law 1973



Most employers are required by the Law to insure against liability for injury, disease or illness to their employees arising out of their employment in Jersey.

This guide is intended to help you understand what is required.

Employers are responsible for the health and safety of their employees while they are at work.

You are required by Law to have an approved Employers' Liability Insurance (E.L.I) policy for people you employ under a contract of service or apprenticeship. The insurance provides cover against liability for bodily injury, disease or illness employees may suffer in the course of their employment in Jersey. It ensures that you have at least a minimum level of insurance cover to enable you to meet the cost of the compensation claims against you, made by your employees. It may also help you with associated legal costs.

The Law requires employers to take out and keep up approved employers' liability insurance policies with authorised insurers. If you do not you may be breaking the Law.

Employers' Liability Insurance

A contract of insurance is based on the information an employer gives the insurer when the policy is taken out. If the information is not accurate, or the questions have not been properly answered, the policy may not cover all the employer's business activities: it may even be treated as void. If this happens, you may be prosecuted.

It is important to make sure that the policy covers all aspects of the business and to tell the insurers in advance if there is any change of circumstances which may affect the policy.

Insurers must issue a Certificate of Insurance to employers who take out or renew insurance policies. You must display the certificate, or a copy, at each place of business for the information of employees.

An employer must be insured for at least £5 million to cover claims arising out of any one incident. However, you should look carefully at your risks and liabilities and consider whether you need insurance cover of more than £5 million. In practice, most insurers offer cover of at least £10 million.

E.L.I is compulsory if you have any amount of employees, including part-time and temporary staff, unless you are one of the small number of employers 'exempt' from the requirements of the Law (refer to 'exemptions').

If any of your employees are normally based abroad but spend 14 days or more continuously working in Jersey, you will need [Employer's Liability Insurance](#) for them.

business

The definition of a 'business' in this Law includes a trade or profession, and any activity carried on by an individual, or group of people whether or not they are incorporated.

Many activities that might not normally be thought of as a business, but where staff are employed, for example in sports and social clubs or charitable organisations, will come within this definition.

Domestic help, such as cleaners or gardeners, need careful consideration. Generally, if they work for more than one person you will probably not need E.L.I. However, if you employ someone who only works for you, you may be required to take out insurance cover for them.

authorised insurer

An 'authorised insurer' means:

- An insurer who is registered under the Insurance Business (Jersey) Law 1996, to carry out the business of employers' liability insurance; or
- An insurer who is similarly registered with an appropriate body in a member state of the European Union.

approved policy

An 'approved policy' is a policy that does not contain certain conditions that would allow the insurer to refuse to pay a claim under the policy. These conditions are set out in the Regulations.

However, there is no objection to conditions that allow the insurer to reclaim from the employer any compensation (including costs and expenses) paid by the insurer to the injured employee.

employee

An 'employee' is a person who has a contract of service or apprenticeship with an employer. This can be by way of manual labour, clerical work, or otherwise. The contract may be stated or implied, oral or in writing. Employees may be full or part-time.

A student on work experience is also legally defined as an employee.

exemptions

Employers are 'exempt' from paying E.L.I cover for certain people who work for them. For example:

- People who are not 'employees' as defined in the Law (i.e. independent contractors who are not the employees of the people they work for).
- People who are employed in any activity that is not a business as defined in the Law (i.e. domestic servants).
- People whose employer is their husband, wife, civil partner, father, mother, grandfather, grandmother, stepfather, stepmother, son, daughter, grandson, granddaughter, stepson, stepdaughter, brother, sister, half-brother or half-sister.

However, this exemption does not apply to family businesses which are incorporated as limited companies.

- People who do not normally live in Jersey and who are working in the Island for fewer than 14 consecutive days.

exemptions

Certain employers are 'exempt' from the requirements of the Law, including:

- The States of Jersey.
- A company where the only employee owns 50% or more of the issued share capital of the company. Note that a sole trader will need to consider covering themselves with an alternative private insurance.

certificate of insurance

A 'Certificate of Insurance' is issued by the insurer. You must obtain, as soon as possible from the insurer, a certificate of insurance.

You must renew your policy each year. A valid copy of your certificate must be displayed at each place of business where it can be easily seen and read by your employees. A copy should also be provided to employees on request. A certificate may be displayed electronically as long as employees know how and where to find the certificate and have reasonable access to it, i.e. have access to a computer as part of their job.

The certificate is dated and you must remove it from display once

the period of insurance expires or if the insurance policy is cancelled before that time.

Although there is no legal requirement for employers to keep copies of out-of-date certificates, employers are strongly advised to keep a complete record of their employers' liability insurance. Some diseases, for instance, can appear decades after exposure to their cause and former or current employees may decide to make a claim against their employer for the period they were exposed to the cause of their illness.

Retaining the insurance details may help you to reduce the costs of any potential claims.

inspection

An authorised Inspector can ask you to produce the current certificate or insurance policy, or copies, for 'inspection'.

The Inspector will give you reasonable notice to see the certificate, policy or copies of them.

The Health and Safety Inspectorate enforces the Law on E.L.I.

penalty

The 'penalty' for not having employers' liability insurance is considerable: you can be fined up to £5,000 for any day you are without suitable insurance cover. In addition, any official of a company involved in the offence may be prosecuted as well as the company.

An employer may be fined up to £500 if they do not:

- Display the Certificate of Insurance or a copy for the information of their employees.
- Produce the Certificate, or a copy, when an authorised Inspector asks to see it.
- Send the Certificate, or a copy, to an authorised Inspector when asked to do so.
- Allow the Policy to be inspected by an authorised Inspector.

insurance claim

The purpose of the Law is to make sure that when an employee succeeds in an 'insurance claim', arising from employee illness, disease or injury sustained as a result of their work for you, you the employer have at least a minimum level of insurance cover against any such claim.

The Law does not guarantee that an employee will get compensation.

law and regulations

This booklet is intended to provide general information on the legal requirements; it is not an authoritative interpretation of the Law.

Reference should be made to the following Laws and Regulations, revised editions, for comprehensive details.

Employers' Liability (Compulsory Insurance)
(Jersey) Law 1973
05.225

Employers' Liability (Compulsory Insurance)
(Exemption) (Jersey) Regulations 1973
05.225.30

Employers' Liability (Compulsory Insurance)
(General) (Jersey) Regulations 1973
05.225.60

Visit www.jerseylaw.je to view the legislation relating to Employers' Liability Insurance.

Visit www.gov.je/hsi to view and download copies of this booklet.

Email: hsi@gov.je or telephone the Health and Safety Inspectorate for further information or advice: 01534 447300.

Employers' Liability Insurance is a legal requirement; in addition it will protect you, the employer, and your business.

States
of Jersey



Health and Safety Inspectorate

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