

Confused by which insurance coverage you need for your business and when you need to buy these?

Every business is unique and will require a different combination of insurance covers. We have created this simple guide to help you navigate the world of insurance and to help make sure you have the covers to help protect you and your business at the right time. Whilst this isn't intended to be an exhaustive list, it identifies many of the main covers you should be looking to consider.

General principles of when you should buy insurance:



When you're legally obliged



When you're contractually obliged



When you wouldn't be able to afford to cover the loss yourself



When you'd benefit from an experienced person taking over to handle a claim on your behalf

As soon as your business is registered or you employ people

TYPE OF INSURANCE	WHAT DOES IT COVER?	DO I NEED IT?
Public Liability	Claims made by members of the public who are hurt, killed or have their property damaged by an incident occurring in connection with your business.	Yes. Almost all UK companies have public liability insurance.
Employers' Liability	Claims made by employees who are injured or become ill through work.	Yes, with a few exceptions. All UK companies are legally required to maintain this insurance.
Employment Practices Liability	Employee claims against the entity, e.g. for unfair dismissal, harassment, or failure to promote a person. Usually bought as an extension of directors' and officers' liability insurance.	If you employ people and wouldn't be able to pay for your own legal defence and settlements from your own pocket.

As soon as you start to offer services

TYPE OF INSURANCE	WHAT DOES IT COVER?	DO I NEED IT?
Professional Indemnity (PI)	Claims made by your clients if they have lost money as a result of your advice or services.	If you offer a professional service, advice, or skill to a client where you may owe them a duty of care. It's not a legal requirement but it's usually bought by professional service businesses
Technology Errors & Omissions (E&O)	Claims made by your clients alleging financial loss as a result of your work to supply, design, develop, maintain, or install a technology solution, either software or hardware. Technology E&O is similar to PI but aimed at tech companies. It differs in that it includes breach of contract rather than being entirely negligence based and includes efficacy and delay.	If you offer a tech service to clients, including software or hardware design, supply or development services, particularly when contracts are signed.
Directors' and Officers' Liability	Claims made against your company or individual directors' and officers' alleging wrongful acts such as breach of trust or duty, neglect, error, misleading statements or wrongful trading.	If your company is in a regulated industry (such as healthcare), or has shareholders/investors then your directors' or officers' could be sued personally for their actions. They are likely to want this insurance in place as their personal assets are at risk.

Before you start seeing patients

TYPE OF INSURANCE	WHAT DOES IT COVER?	DO I NEED IT?
Medical Malpractice	Claims made by anyone who has been physically or mentally harmed through medical services provided by you or on your behalf. The negligence may arise from errors in diagnosis, treatment, aftercare or health management.	If you treat, diagnose or care for patients or service users, or handle human bodies post mortem. Even if your medical staff have their own insurance your company might still be held legally responsible in some way, so what's called Vicarious Liability cover and/or Entity Liability cover should be considered.
Abuse and Sexual Misconduct	Claims made by anyone who has been physically or mentally harmed through abuse or sexual misconduct happening in connection with your business.	If anyone working for you or in connection with you has opportunity to abuse or molest people whilst working.



If you design, manufacture or sell products

TYPE OF INSURANCE	WHAT DOES IT COVER?	DO I NEED IT?
Product Liability	Claims made by anyone who is injured or has their property damaged by a faulty product that you design, manufacture or supply.	If you design, manufacture, (re)label, (re)package, distribute, import, sell, or give away any product.

If you have an idea worth protecting

TYPE OF INSURANCE	WHAT DOES IT COVER?	DO I NEED IT?
Intellectual Property (IP) Infringement	Defence of claims of IP infringement. It can also help you pursue those who are infringing on your patent, copyright or trademark.	If you have a patent pending or you're worried that others might steal your IP – often your biggest asset at an early stage – or others may allege you're stealing their IP.

If you rely on IT systems or take on IT work for 3rd parties

TYPE OF INSURANCE	WHAT DOES IT COVER?	DO I NEED IT?
1st Party Cyber	Loss sustained by you from: <ul style="list-style-type: none">• Lost or damaged electronic documents• Business interruption caused by system outage• Cyber extortion / ransomware• Cost of notifying clients / patients of lost documents• Theft of money or digital assets through electronic theft	If you hold patient/client data or your business uses computers, telephones, or any devices connected to the internet there is an exposure to hacking or a system error that could leave you vulnerable and unable to work.
3rd Party Cyber	Claims made by clients / patients alleging financial loss or bodily injury arising from: <ul style="list-style-type: none">• Breach of their systems as a result of your system failing or being breached• Loss of their data• Their inability to work while your system is down	<p>If your IT system connects with someone else's, others rely on your system to do business, or you hold or transmit 3rd party data then you have a 3rd party cyber risk.</p> <p>Quantifying someone else's reliance on you, or their potential loss, is difficult, so it's best to transfer that risk to an insurer.</p> <p>If you outsource your IT to Amazon Web Services (AWS) or similar, you're still liable as the data controller or processor and AWS is most likely to have avoided that liability in their terms and conditions.</p>



If you couldn't afford to cover the loss yourself

TYPE OF INSURANCE	WHAT DOES IT COVER?	DO I NEED IT?
Property Damage	Damage to your premises, contents, computers, stock and equipment located in the workplace as well as laptops and mobile equipment away from the premises.	If you have any property, contents, computers, stock or equipment that you couldn't afford to replace all at once from your own pocket. Even if you just rent your building you'll need to insure your own fixtures and fittings, contents, stock, laptops and mobiles.
Business Interruption	Your lost revenue/profit and higher running costs while you rebuild or relocate after a disruption such as fire, flood or storm at your usual premises.	If your ongoing fixed costs (rent, payroll, other bills etc.) are more than you could afford if your income was to stop for a period of time. Consider how long it would take you to repair, rebuild or relocate your premises after a big fire, flood or storm
Legal Expenses	Facilitates access to law by providing legal advice and covering the costs of a legal, tax or property dispute and defending compliance and regulation issues.	Unless you already have in house legal support, or the retained services of a law firm it is helpful to have this cover for practical assistance as much as the financial protection. This insurance is usually seen as very affordable and simple to arrange.

The Howden Health & Care team are here to help make your life easier when purchasing insurance.

We will work with you to create a package of insurance coverage that is tailored to your individual requirements, to help make sure you have the right protection in place.

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