

Required insurances for limited company contractors

At Ark Talent we ask all of our limited company contractors to be appropriately insured to work. We have provided answers to some of the most frequently asked questions on the topic.

Why do I need business insurance?

If your actions lead to anything being damaged or anybody being injured it is essential that you are insured, as it may result in a costly claim being made against you. Likewise, if you give your client any advice or complete any work for them that leads to them losing money, they may bring a claim against you.

In such a situation, having insurance in place could be what keeps you in business. To ensure that your business is protected financially and that you are complying with the requirements of your client, all of our limited company contractors should have suitable insurance in place at all times.

Should I consider IR35 insurance?

As the reform to the off-payroll working rules in the private sector has been delayed until 6 April 2021, it is important to remember that under the existing rules you are legally responsible for making the determination on your IR35 status and should consider taking advice of a third-party specialist to help make the decision.

If IR35 is not dealt with properly it can lead to costly and lengthy cases, and possibly a monetary demand being made from HMRC, so tax liability and investigation insurance are an important consideration.

Do Ark Talent require me to have insurance?

Yes, we require contractors to secure no less than £1,000,000 Professional Indemnity insurance, £1,000,000 Public Liability insurance and £5,000,000 Employers' Liability insurance, alongside any other industry-specific insurance at all times. You may also be asked to provide evidence of this on request.

Professional indemnity - covers you if you are accused of professional negligence, making an error or omission, or giving bad advice which results in your client losing money.

Public liability - provides cover if someone is injured or property is damaged as a result of your actions whilst supplying services. Whether you are on your own premises or at a client's site, you have a duty to protect anyone who might be affected by your activities.

Employers' liability - provides protection against claims from employees. It is compulsory for almost all UK businesses. Regardless of your set-up, this is often insisted upon by clients who may require you to comply with a standardised contract.

Arranging cover for your limited company

Where can I buy the right insurance?

There are a limited number of insurance providers that offer cost effective and comprehensive insurance to the contracting community. Our partner insurance company is Kingsbridge Contractor Insurance, a specialist insurance broker for contractors.

Kingsbridge provide a package which includes all the key insurances you may need – professional indemnity, public liability & employers' liability as well as IR35 insurance. This means you only need one policy to cover your main exposures and meet your contractual obligations.

Key benefits of the Kingsbridge policies

- A policy that complies with the terms in our contract
- Cover for previous work
- Instant access to policy documents
- Monthly payment options
- Insurance that acts as an IR35 indicator
- Tax deductible business expense
- IR35 insurance that covers the whole supply chain
- Review tool to determine your IR35 status

Get in touch

If you would like to discuss your insurance arrangements please get in touch with Kingsbridge directly.

Call: 01242 809 317

Email: sam.steel@kingsbridge.co.uk

Visit: arktalentgroup.kingsbridge.co.uk

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