

# IS IT LAW TO HAVE PUBLIC LIABILITY INSURANCE?



## Does the law require me to have Public Liability insurance?

In short, Public Liability insurance is not required by law for businesses or tradespeople. However, if you have any contact with the public, then it is still highly recommended. If an accident were to take place that causes injury or damage of property to a third party caused by your work duties, then you and your business would be liable to cover any costs incurred.

With Public Liability insurance, you would be covered for any of the following should a third party make a claim against you:



Legal defence costs



Repairs/replacements for damaged property



Medical bills/equipment



Compensation for stress/loss of earnings

## I'm a sole trader/self employed - do I still need to be covered?

Regardless of whether you are a **Sole trader, Partnership or Limited Company**, if you have any contact with the public, Public Liability insurance is still worth considering having.

While the size of your business and whether you have employees or not can be a factor when calculating your premium, it does not determine the value of being covered should an incident involving a third party occur. If you are still not sure whether having Public Liability insurance is worth it for you, ask yourself:

**would you be able to manage the financial impact of a claim being made against you without it?**

**Public Liability insurance does not cover injury/damage of property to your employees.**

**This would come under Employers' Liability insurance and is a legal requirement for employers.**



**If you are a member of a trade association, your membership terms and conditions may require you to have a certain level of Public Liability insurance in order to be compliant. Without cover, your trading association may negate your membership and any related benefits as a result.**

**If you have any contact with the public - this could be in the form of clients (either at your place of business or visiting their residence) or even just a passer-by on the street - if an accident occurs caused by work being carried out that is conducted by your business, you would be liable to cover any costs associated, including legal, medical or compensatory. With Public Liability insurance, this would be taken care of should an incident occur.**

**IT MAY NOT BE THE LAW - BUT IT IS STILL WORTH IT!**

**PUBLIC LIABILITY INSURANCE**  
is not a legal requirement to have - however, if you have any form of contact with the public (either direct or indirect), it is highly recommended to have cover in order to protect you and your business should the unexpected happen.

## WHEN WOULD I NEED TO HAVE COVER?



Even though it is not strictly required by law to have Public Liability insurance, in some cases **your contract may stipulate that you must have a minimum level of insurance in order to carry out the specified work**. Not having cover in this instance would be a breach of contract and may result in your termination from that job.



### Sources

<https://www.tradedirectinsurance.co.uk/insurance-products/public-liability-insurance/>  
<https://www.tsb.org.uk/resources-page/what-do-you-need-to-know-about-public-liability-insurance.html>  
<https://www.abi.org.uk/products-and-issues/choosing-the-right-insurance/business-insurance/liability-insurance/public-liability-insurance/>  
[https://en.wikipedia.org/wiki/Public\\_liability](https://en.wikipedia.org/wiki/Public_liability)  
<https://www.moneysupermarket.com/business-insurance/public-liability/faqs/>  
<https://www.nimbiahns.co.uk/business-insurance/public-liability-insurance-uk/average-cost-public-liability-insurance-uk>