

Should you insist staff have their own Personal Injury Cover?

Simon Wilson, Tree Surgeon & Forestry Insurance Services

The answer to this frequently asked question is not straightforward. There is a common misunderstanding that Employer's Liability Insurance (EL) provides personal injury cover directly for staff, which it does not.

What does Employer's Liability insurance cover?

EL insures the employer against paying compensation should they be found responsible for an injury or illness to an employee. Here the term employee also includes labour-only sub-contractors. People often think EL is a form of sick pay that will immediately replace wages. It is not.

To receive payment funded by EL, the injured party would have to make a claim against the employer stating why they are responsible. The insurer would investigate the claim and then defend or settle it. This process can take months or even years, which is not ideal if the employee has a family to support.

What criteria make an employer 'liable' for an injury?

This is impossible to define as there are numerous variables. To demonstrate, here are two examples.

- An employee was injured by a chainsaw when it hit a metal flagpole that a tree had

grown around. The flagpole was left from the Queen's Silver Jubilee celebrations in 1977. The chainsaw hit the metal pole and kicked back, causing a severe injury. The claim by the chainsaw operator was dismissed because the employer had taken all reasonable precautions to protect their staff. The risk is part and parcel of the job – the employer could not have anticipated that there would be a metal pole inside the tree.

- A staff member was walking around a work site texting. Concentrating on his phone, he tripped over and lost part of a finger in some machinery. The employer was deemed liable and the claim was paid. Why? Because the employer did not have a 'no mobile phones' policy and was therefore responsible.

Should staff have their own Personal Injury Cover?

Few employers offer Personal Injury Cover for their staff. I regularly do presentations at staff meetings and most people are stunned to find out that there is no automatic Personal Injury Cover through the employer.

So what are the advantages of encouraging staff to have their own cover?

- Employees are less likely to seek compensation in the event of an injury if they are receiving an income from an insurance policy. This is subjective, but spurious claims are normally financially motivated. If staff have Personal Injury Cover this does NOT negate the need to have Employer's Liability Insurance.
- Staff morale can be negatively impacted if an absent colleague is seen to be suffering financial hardship. One of our clients now asks us to speak to all new employees following a souring of relationships between 'the boss and staff' when a colleague was struggling financially whilst off injured. By encouraging employees to consider cover, our client feels he can't be held accountable for their future financial position in the event of incapacity.
- The working environment is enhanced if an employer is seen to care. Many companies encourage staff to subscribe to things that will enhance their wellbeing.

What Personal Injury Insurance options are available?

Group policies

Group policies require several members – as such they can be costly because they are designed to cover all employees, except sub-contractors. Another issue with a one-size-fits-all approach is there can be limitations on the quality of cover.

In our industry the workforce is often adventurous and participates in 'extreme' sports like mountain biking which are not normally covered by group policies. Also, if you leave the company you can't take the cover with you. This is particularly important if you have experienced health or injury problems.

Individual policies

Generally, individual plans offer more comprehensive cover as they can be tailored to specific needs and can cover both employees and sub-contractors.

The best option is Income Protection, which covers both accidents and illnesses. The injury does not have to be work related; it can be from sports such as rock climbing. Importantly, the terms can't be altered even if you make a claim. As Income Protection is a personal plan it can be taken with an employee if they leave.

Many employers encourage staff to take out individual cover. Sometimes the company will pay for it – or offer an incentive. One company we deal with offers an extra two days of holiday if staff take out cover; others offer nothing but feel it is important to put their staff in touch with a specialist company.

Summary

You can't insist on your staff having their own Personal Injury Cover, but I feel it is prudent to encourage staff to do so. It is important to encourage employees to take responsibility for their own financial wellbeing. Anything that enhances the employer/employee relationship is good for business. An insurer looking after someone when they are injured/ill is much better than staff watching a colleague suffer financial plight.

The way forward

If you are an employer or employee/subbie then call an insurance advisor who really understands your industry. We offer a service where we will discuss Personal Injury Cover with staff members directly – or we can attend staff meetings and address groups as a whole.

Article from Arb Association Magazine – Autumn 2019 Edition





PERSONAL INJURY INSURANCE

We specialise in arranging injury insurance
for **Arborists and Foresters** that can cover:

- ✓ Work/Leisure Injuries
- ✓ Payout from Day 1
- ✓ Dangerous Sports
- ✓ Working At Height
- ✓ Tax Free Payout
- ✓ Mountain Biking
- ✓ Chainsaw Injuries
- ✓ Illnesses
- ✓ Rock Climbing

Call now 01732 373864

www.arbins.co.uk