

## Direct Payments Factsheet

### Insurance

If you are an employer, for example if you employ a personal assistant, you are required by law to have certain insurance cover in place.

Accidents can happen in a number of ways. For example, the personal assistant may trip, fall, or be involved in a car accident. It could be that the personal assistant thinks you, as the employer, is to blame for this and may hold you responsible. Perhaps your personal assistant assists with medication and performs clinical tasks, but what if they make a mistake?

Having the correct insurance cover in place means that if there is a claim, it will be covered under the insurance policy and handled by the insurance provider.

Here are the answers to some commonly asked questions that you may find helpful.

#### **What insurance policies do I need?**

There are two types of insurance cover you will need:

1. Public Liability Insurance
2. Employers Liability Insurance

#### **Why do I need to have Employers Liability Insurance?**

If your employee is injured whilst working for you and you are held legally liable, you will be protected to cover legal costs and compensation. As an employer you are legally required to have Employers Liability Insurance in place.

#### **Why do I need to have Public Liability Insurance?**

This covers you from claims for compensation if you or your employee causes injury or damage to someone else or their property.

### **How do I arrange my insurance?**

The insurance must be in place before your personal assistant can start work and KDC will make all the arrangements on your behalf. There are a few insurance companies that specialise in providing cover for people employing a personal assistant and we will give you all the information you need to choose the one you want.

### **What are the choices of Insurance provider?**

There are currently two main providers specialising in providing policies to protect people using direct payments to employ their own personal assistants. They are:

- Premier Care (Mark Bates Ltd)
- Fish insurance

The terms of cover are standard and they all offer similar additional support services such as a telephone helpline for advice on employment issues. We have a preferred provider arrangement with Premier Care (Mark Bates Limited) who offer policy costs to you at a discounted rate.

### **How much does it cost?**

Depending on the insurance provider you choose, the annual premium for both employers liability and public liability policies will be between £90 and £130.

### **How do I pay for the insurance premium?**

Knowsley Council add £90 to your Direct Payment on an annual basis. After that, you can pay the renewal premium each year using your direct payment funds. Your direct payments are calculated to allow for the annual insurance costs. If you have a Managed Account with KDC, we will automatically renew and pay for the renewal from your Direct Payment account.

**How do I renew my insurance policy next year?**

You will receive a letter from your insurer, telling you about how to renew the policy. This is a simple process, and usually you will just need to send the insurer a cheque, from your direct payments bank account, for the renewal premium.

**I employ three PAs. Do I need three policies?**

No, your policy covers an unlimited number of PAs

**My husband/wife/partner and I employ the same PA. Do we need two policies?**

No, you can both employ any number of PAs, and will only need one policy

**What if my PA steals from me?**

You will be able to claim against your policy within certain limits set down in the policy terms and conditions

**What if I or my PA has an accident and suffers an injury?**

You must contact your insurers immediately and tell them about the situation. They will advise about what you need to do to make a claim. KDC will help you with this.

It is important that you keep a record of any accidents or incidents that occur, whether you, your PA, or another member of the public, is involved. Be sure to take account of all accidents, irrespective of where they took place (for example inside your home or in a public place) and no matter how trivial they may seem at the time because sometimes injuries can develop later on as a result. A good idea is to keep a note book in a safe place where you can write down the date and the details of the accident. Make sure your personal assistant knows where this is kept.

**My personal assistant is self-employed. What insurance is needed?**

It is vital that any self-employed personal assistant has public liability insurance in place. KDC can help you carry out some checks to ensure that your self-employed PA has complied with their legal requirements to:

- Register themselves as self-employed with HMRC: and
- Has effective and current public liability insurance in place

**Is Public Liability and/or Employers Liability cover provided in my comprehensive household policy?**

It is unusual for any household buildings/contents insurance policy to provide cover to protect you from public liability or employer's liability claims and you should check carefully with your insurance provider before assuming that it does.

**I use my Direct Payment to pay agency staff to care for me. What insurance do I need?**

You do not need to have either Employers or Public Liability insurance policies in place because the agency worker will be covered by their own employer's policies.

**If I have to make a claim against my insurance policy, do I have to pay an excess fee?**

This will depend on the policy terms and conditions and will vary depending on the insurer.

**My personal assistant regularly drives me around, what insurance do I need for this?**

If your personal assistant is providing transport for you in their own vehicle, they will need to ensure they take out the appropriate insurance cover. You must advise the personal assistant to contact their insurance company and request business cover and show you a copy. KDC can help you with this.

If your personal assistant is driving your vehicle, you must ensure they are added onto your vehicle and contact your insurance company. Most insurance companies do not charge for this cover.

Remember, if you are unsure, have any queries or need additional support, please contact the Direct Payments Team here at KDC.

**Telephone:** 0151 480 8873

**Email:** [dpss@kdc.org.uk](mailto:dpss@kdc.org.uk)

You can find this Factsheet along with others covering a variety of topics by visiting us at [www.kdc.org.uk](http://www.kdc.org.uk)

