

What is Public Liability insurance?

Anybody that has contact with the public as part of their business needs to arrange public liability insurance, examples being builders, building surveyors, architects, electricians, hairdressers, property developers, insurance brokers, web designers, quantity surveyors, management consultants, estate agents, project managers and IT consultants.

This is because if they cause personal injury to a third party (someone not connected with their business, such as a customer) or damages their property (such as knocking a ladder over on to a client's car) then it is likely they will be sued.

A public liability insurance policy (sometimes described as PL insurance or PLI insurance) will pay compensation and defence legal costs.

A public liability insurance policy may also cover you for products liability insurance. This is where something that you supply hurts a third party (perhaps they are poisoned by a sandwich) or damages their property (for example a cooker is badly repaired and electrocutes the customer).

Why should I buy Public Liability insurance?

For some trades, it is an obligation of their licence (for example a tattooist) or it may also be obligatory to hold public liability insurance to fulfill a contract or make a bid for work. Generally though, it is a voluntary insurance policy to buy.

What level of Public Liability insurance should I buy?

Think of the biggest amount of damage you can cause: A roofer may burn down a house. A window cleaner could break a large plate of glass. A plumber could break a pipe and flood a block of flats. A ground worker could cut a fibre optic cable.

Think of the most compensation that could be paid out - add to this substantial legal costs to cover solicitors, barristers and court costs. Multiply this by possibly several claims in a year. If you are able to comfortably pay this out of your savings and investments, then maybe you don't need public liability insurance. For everybody else...

How much does Public Liability insurance cost?

This varies depending upon your type of work (use of heat is usually more expensive for example), the size of your business and how many workers are to be covered. You may be a member of a professional or trade body or be a member of a club and we would always suggest this as your first "port of call" to see if they have a public liability scheme or have an approved insurer.

Next, seek out some comparison quotations. There are several insurance brokers that offer "instant quote and buy" websites. These are probably not suitable for bigger businesses or those that have unusual requirements – particularly if they are considered "high risk", that is to say are more likely to claim from their public liability insurance policy.

Lastly, if you run a big business, or do something a bit different to normal, you may have to wait a few days for your insurance quotation. This is because, unlike car, travel or house insurance, public liability insurance premiums can be assessed on an individual basis.

One thing is certain – most car and house insurers do NOT offer public liability insurance.

Insurance Companies

If you approach any of the businesses below, ensure you ask lots of questions so that you are buying an appropriate professional indemnity insurance policy for your business from a reputable insurer - and - get everything in writing!

- [Child minders](#)
- [Comparison website for small businesses](#)
- [Tiger insurance](#)
- [Autonet insurance](#)
- [Business insurance directory](#)