

Businesses should keep insurance certificates, warns expert

BUSINESSES should keep long term records of their employers' liability insurers despite a change to the law that states they no longer have to retain their Certificates of Employers' Liability for 40 years.

Employers' liability insurance cover certificates are a common sight in businesses across the country, informing staff and others that their employer has arranged the appropriate cover. Under previous rules employers had been obliged to keep copies of such certificates for a minimum period of 40 years.

Now, under a change in the law, employers no longer have to keep any out-of-date certificates and paperwork, and additionally can make current documentation available electronically rather than by displaying them as paper copies.

However, despite the legislation, Robert Cholmondeley, director of Preston-based Taylor Patterson Corporate Insurance, is advising employers to maintain all their previous insurance records to counter potential claims from incidents that may take years to emerge.

He said: "The law on keeping certificates has been relaxed to save businesses time and money in administration, but I would argue that preventing any future legal action and costly court cases by having proof of past insurance is more important.

"I have known of many cases where an employee brings a claim many years down the line, for instance following contraction of an industrial disease which takes years to materialise or be diagnosed. Businesses should simply archive their insurance documents just to be safe.

"It is also important to remember that despite the law now allowing display of certificates electronically, they must be accessible by all staff covered by the policy. It is no good hiding away an electronic copy on a company computer if nobody can find it."