

# Employers' Liability Insurance: Important changes

We told you in the February edition of the Bulletin that April 2011 sees the introduction of changes to the information that employers have to provide to their employers' liability (EL) insurance providers.

## Regulatory Changes

The Financial Services Authority (FSA) is introducing new regulations that will make it compulsory for insurers to publish information about the EL insurance policies they underwrite. The purpose of this is to help people who have suffered injury or disease in the workplace to identify their employer's EL insurer. As a result, the insurance industry has set up the Employers' Liability Tracing Office (ELTO) to manage a central database of EL insurance policies that can be searched against.

## How this affects you

FSA's new regulations outline the policy information that needs to be captured. This includes two specific items that have not historically been captured as a matter of course. They are:

- Employer reference Number (ERN): Also commonly referred to as the 'Employer PAYE Reference', this information is allocated to each employer by HMRC and is shown on a number of PAYE forms and documents
- Subsidiary Information: Details will have to be provided for all companies covered by the policy. For example, where a policy relates to one parent company and four of its related subsidiary companies, the name and the ERN for all five companies must be provided.

Insurers will be compelled to show this additional policy information for all new and renewed policies written from 1 April 2012. To ensure sufficient preparations are in place, the insurance industry is beginning to collect this additional information from April 2011.

With these changes on the way, and insurers beginning to collect these details, it is important that whoever handles your employers' liability insurance cover is aware of this so that your organisation can begin preparations to provide the relevant information.

## Employer's Liability Tracing Office (ELTO)

There are many people injured or who develop a disease through exposure to harmful materials in their work environment. In most cases, the employer is still trading and displays their EL insurer details to employees at the workplace. In a minority of cases, the employer is no longer trading, which can make it difficult to find an EL insurer and pursue a compensation claim.

ELTO will help more of these people trace their former employer's EL insurer by providing an online enquiry facility that searches against a database of EL insurance policies.

This EL Database (ELD) will be populated by insurers, who will need to capture some additional information about the employer(s) on cover as a result. For more information about ELTO, go to [www.elto.org.uk](http://www.elto.org.uk)