



# FACT SHEET 10

## INSURANCE

Most workers don't have to think about insurance for the equipment they use or the products they make, process, package or assemble. However, the situation can be different for homeworkers. Also, homeworkers need to be sure that they are covered in the event of an accident, illness or injury that is related to their work.

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### Work-related accidents and illness

Accidents at work are very common and can lead to disability, illness or even death. All employers have a legal obligation to take out an insurance policy (called Employers Liability Insurance) so that they can compensate their workers in the event of work-related injuries or illness. Some workers are unable to resume work after an accident or illness and, for this reason, employers' insurance policies must be able to cover compensation claims of up to £5 million.

You should check with your employer to make sure that their insurance policy covers you. If you are told that you are self-employed and therefore liable for your own insurance, you should seek advice. NGH Fact Sheet 5 - 'Are You Employed or Self-Employed?' gives more information on employment status issues.

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### Property Insurance

In the event of a fire in your house that damaged your work, or a burglary in which your employer's property was stolen, it should be fair to assume that your employer's own insurance would protect their property whether it is on their premises, in your home, or being transported from one place to another. However, this is not always the case. Contact your employer and ask whether their policy covers their goods and equipment whilst it is in your home. If they say that it doesn't, you should get some further advice.

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### Home Insurance - contents and buildings

You may have insurance to cover your own home contents but this would not, as a matter of course, cover work materials or equipment that is not owned by you personally. Check your insurance policy to see what is covered and what is not, as you do not want to find yourself liable to cover the cost of items damaged, lost or stolen which belong to your employer. Additionally if you own equipment yourself, such as an industrial sewing machine, it may cost more to replace than the amount of money that ordinary household contents insurance will pay out for an individual item. You should check what the maximum amount of cover for an individual item is on your policy and, if it is less than the replacement cost of your equipment, you should consider insuring it as a separate item. This will cost you a little bit more but if you lose the equipment you may not be able to work if you cannot afford to replace it.

If you own your own home, you should also check to make sure that employment or work-related activities would not invalidate your policy. In most cases, working from home is perfectly legal and poses no threat to the property or its contents. However, some insurance companies might assume that anyone working from home is running a business and, as such, the premises (or part thereof) and some contents should be covered by some form of commercial or business insurance. If your insurance is tied to your mortgage, this may also prohibit commercial activities from taking place in the home. If you are in any doubt, you should seek advice from your insurer or from your local Citizens Advice Bureau (CAB). You can get the telephone number for your local CAB from your telephone directory.

**This document is intended only to provide general advice on this subject. The document is provided on this basis and NGH would like to make it clear that further specialist advice may need to be taken on this subject.**

**If you wish to take further advice, contact an employment rights advisor at your local Citizens Advice Bureau or local law centre. You will find their telephone numbers in your local directory. You may also wish to contact the NGH freephone Advice and Information Line on 0800 174 095. NGH will advise and may be able to take a case on your behalf or provide representation at Employment Tribunal**

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National Group on Homeworking,  
Office 26, 30-38 Dock Street, Leeds LS10 1JF.  
Telephone: 0113 245 4273. Fax: 0113 246 5616.  
E-mail: [admin@ngh.org.uk](mailto:admin@ngh.org.uk)  
Website: [www.ngh.org.uk](http://www.ngh.org.uk)

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