

PUBLIC LIABILITY INSURANCE

If your business is **dependent** on receiving visits from customers or members of the public, **then** you should think about **taking** out insurance to cover you for public **liability**.

Public liability insurance covers the compensation or the amount awarded for damages given to a **claimant**, or member of the public, because of an accident that caused injury or damage **by** your business. It also covers legal **fees**, any related costs and additional expenses as well as any hospital treatment, which may include ambulance costs that the NHS may ask you to pay **following** an accident.

The cost of the liability **insurance** will depend on many **factors**:

- 1 The size of the venue/event taking place
- 2 The **likelihood** of an accident occurring
- 3** The area in which the venue/event is being held
- 4 The number of public likely to visit
- 5 The time of day or **night** cover is required.

Public liability is part of the law of tort which deals with civil wrongs. The injured party usually sues the respondent (the owner or **occupier**) under common law based on **negligence** and/or damages. **(Inconsistent spacing)** Claims are usually successful when it can be shown that the owner/occupier was **responsible** for an injury or damages, therefore they **breached** their duty of care. The duty of care **is** very complex, but basically it is the standard by which you would expect to **be** treated whilst you are in the care of another **eg** an employer.

If you are in employment and had an accident on the **employer's** premises, and the **accident** caused you an injury, you would be covered by this insurance and may **receive** compensation.

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When you go shopping in large department stores or **shopping** malls, then the owners of the stores will have **liability** insurance in case anyone has an accident whilst shopping. Wherever the public venture, they are covered by public liability insurance. Places such as **theatres**, cinemas, hotels, restaurants, **parks**, rock concerts, amusement arcades, adventure playgrounds, **banks**, sports centres, football grounds, tennis clubs, gymnasiums are all covered by **public** liability insurance. Obviously some places where the public visit will have greater risks than others depending on the activity. Theatres and cinemas are fairly low risk unless someone **falls** down the stairs **through** poor **lighting**. Banks are low risk **unless** a robber holds up a bank brandishing a gun and you happen to be in **there**! Rock concerts will be **higher** risk as the concentration of people in one area is much greater.

All employers or owners, where the public use their premises, should make public areas as safe as possible under the Health and Safety at **Work** Act **1974**. If a student **were** to go on work experience the placement should be **checked** out first to ascertain **whether** the company has public liability insurance in case of accidents.

(Indented paragraph)

Some small **firms** insurance premiums may be **quite** high and a small business may struggle to afford the premium. However, if someone claimed compensation for an accident and the person claiming was able to **prove** it **was** caused through the negligence of the owner, then the costs would be very much higher than the premiums and could result in the owner **losing** their **business** through bankruptcy.