

Checks on safety to ensure low premiums

Insurers pledge liability cover savings for firms with vetted report

BY RICHARD TYLER

THE insurance industry yesterday pledged to reward companies with lower employers' liability insurance if they can present a health and safety report conducted by a vetted trade association.

The Association of British Insurers, which represents 97% of the market, has set up an assessment committee and called on all trade associations to submit their health and safety schemes for scrutiny.

If they prove up to scratch the insurance industry will recognise the schemes as a quality mark.

"We have 100% buy-in by ABI members," said Giles Quartly, of Iron Trades Insurance Company and a member of the assessment committee.

"It may take a year or two to come through but it should help for the underwriter to show that there's the differentiation between the good and the bad. That probably hasn't been the case in the past."

The move comes four months after a Department for Work and Pensions interim report found that many businesses had seen increases of up to 368% in their

employers' liability premiums, a mandatory insurance to cover injuries in the workplace.

It is the second time the ABI has acted in advance of the DWP's final report, due in the autumn. The industry body recently ruled that companies should be given at least 21 days notice before the terms and cost of their premiums could be changed.

The British Printing Industries Federation, the first trade association to have its three-year-old health and safety scheme assessed, said it had lobbied hard for the ABI to take account of its members' efforts.

Dale Wallis, the association's health and safety adviser, said: "We eagerly welcome the opportunity to translate good practice in health and safety into real ; savings for our members."

The initiative should particularly benefit smaller companies, which take out 70% of all employers' liability insurance policies but do not have dedicated personnel keeping them up to date on legislation and best practice.

"Those are the people who have been hit really hard by the recent price increases because they have not been able to show to insurers that they have been looking at health and safety," said Iron Trades' Mr Quartly.

Businesses not currently members of trade associations will be able to take advantage of the initiative by paying a fee to the relevant trade body for a health and safety check.