



PROPERTY  
SOURCING  
COMPLIANCE

## **INSURANCE:**

MUST HAVE  
SHOULD HAVE  
COULD HAVE

### **PROFESSIONAL INDEMNITY (PI) INSURANCE (MUST HAVE)**

This insurance, whilst not being required by law, covers your legal liability for any advice that you provide in a professional capacity. It also covers you for liability of breach of professional duty in relation to any service that you provide in exchange for a fee.

I have said 'Must Have' for this as I think that it would be very foolish to run your business without it!

### **VEHICLE INSURANCE (MUST HAVE)**

If you intend to use your own personal vehicle when carrying out property viewings and meetings with potential clients or investors you must ask your current insurance provider if any amendments are needed to your policy with regard to business use; whilst your current policy may cover you for travelling to and from work it may not cover you for full business use.

### **CLIENT ACCOUNT (MUST HAVE)**

A client account is an account at a bank in the name of the company to which it has been sent, but is completely separate from all other accounts linked to that company. If you receive or hold clients' money then you must do so in accordance with the Clients Money Regulations 2012.

If, as a property sourcer or deal packager you receive a deposit or reservation fee, you **MUST** use a client account to hold the monies in.

Useful Guide:

<http://www.powys.gov.uk/en/licensing-trading-standards/national-trading-standards-estate-agency-team/advice-for-estate-agents/#c17905>



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## **EMPLOYERS LIABILITY INSURANCE (MUST HAVE - IF REQUIREMENT MET)**

This insurance covers you if an employee falls ill or is injured as a result of the work that they carry out for you.

The legal requirement for employers to purchase employers liability insurance was introduced in The Employers' Liability (Compulsory Insurance) Act 1969. This Act requires almost all employers to have a minimum level of insurance cover once they take on their first employee and is enforced by The Health and Safety Executive (HSE).

The minimum level of employers' liability cover is £5m; most reputable insurance providers provide a minimum cover of £10m.

There are some exceptions, this Guide may help:

<http://www.hse.gov.uk/pubns/hse40.pdf>

## **BUILDINGS & CONTENT INSURANCE (SHOULD HAVE)**

Whilst this type of insurance is not compulsory, if you own your own commercial premises it makes sense to protect them with at least the basic cover for fire and flood and also a policy that includes coverage for your fixtures and fittings.

If you work from home don't forget that some domestic building and content policies will not provide cover for the running of a business from home and so it is always best to check with your provider if that is the case and acquire extra cover as required.

## **PUBLIC LIABILITY INSURANCE (COULD HAVE)**

This type of insurance is not required by law but covers you against the risk of death, injury or damage to property suffered by a third party including members of the general public or any other business that work with you. The level of cover available normally starts at around £1m.

If in the process of providing your service you come into contact with members of the public or work with other businesses it may be worth considering obtaining suitable cover.



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### **INCOME PROTECTION (IP) INSURANCE (COULD HAVE)**

This protects you against loss of income due to an inability to work from illness or injury, possibly worthwhile considering if you are the sole income provider for your household and may not have the ability to continue to meet payment for your household bills or you have dependents such as children reliant on a certain level of income.

### **DIRECTORS' AND OFFICERS' (D&O) LIABILITY INSURANCE (COULD HAVE)**

This protects any directors or other officers of the company from potential claims made against them as a result of decisions or actions that they have taken in the scope of their regular business duties.

The Limited Liability facility of the company only protects the company and the personal assets of the owners if the business fails to be able to meet its financial obligations.

Claims could be made against you or other directors personally, as individuals rather than the company itself and enables you to cover the cost of any defence for such claims.