



# **A GUIDE TO BUSINESS INSURANCE: CONTRACTORS AND FREELANCERS.**



Starting a business should be easy. Here is  
business insurance for contractors and  
freelancers explained!

## Contents.

What is business Insurance?	0 3
Why do I need business Insurance?	0 4
Is it a legal requirement for freelancers?	0 5
Types of business insurance.	0 6
Choosing a business insurance policy.	1 1
Why choose GoForma?	1 4

# What is business insurance?

Business insurance is designed to protect you from the risks associated with running a business.

As a business owner (whether you're a sole trader, or are running a partnership or a limited company), the onus is on you to think about the risks you face as a business - and to get them covered.

While some risks and their accompanying covers are common to most businesses, others are more niche. The protection you'll need will depend on the risks your business faces.



## Why do I need business insurance?

Having business insurance ensures that you and your business are protected should the worst happens.

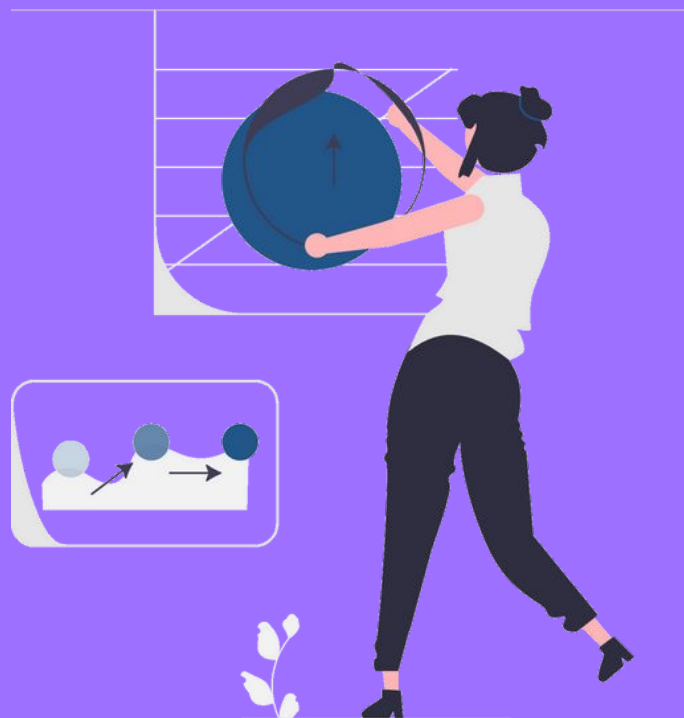
These policies can help cover the costs that arise due to property damage or liability claims - without which you'd have to pay for legal claims and damages out of your own pocket. The costs can add up to a significant amount - and can be **financially devastating** for self-employed workers.

[Book a Free Consultation](#)

# Is business insurance a legal requirement for freelancers?

Business insurance isn't a legal requirement in the UK, unless you hire employees - in which case, employers liability insurance is **mandatory**.

All other business covers are optional. However, you may find that **some clients require you to have certain covers**. For instance, professional indemnity insurance or public liability insurance are commonly required.



# What types of business insurance do freelancers & contractors need?

The type of business insurance you need will vary, depending on factors such as:

- The type of business you're running
- The type of products or services you offer
- The assets belonging to your business

In the following pages, we run through essential questions contractors and freelancers should ask themselves to determine the type of cover they need.

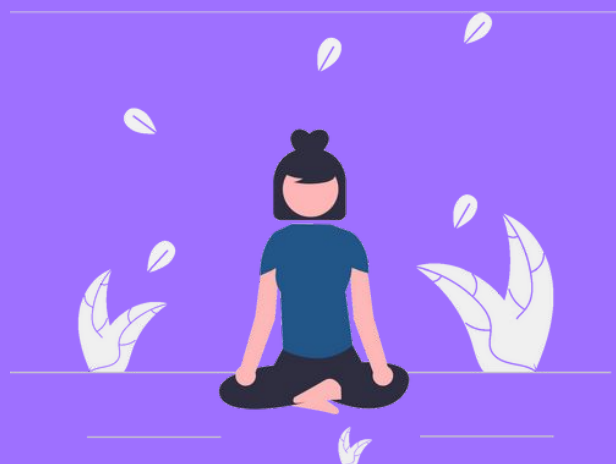


## Does my work involve in-person contact with people?

If your work involves contact - even if indirect -with other people, you may like to think about public liability insurance.

Public liability insurance is designed to protect you financially if you're faced with a compensation claim as a result of someone being injured or their property damaged due to your work.

It covers you while you work at your own premises, a client site or in public, and is one of the most common covers for freelancers.



## **Does my work involve the selling or gifting of products?**

If your work involves the selling of, or even the gifting of products you'll want to consider **product liability insurance**.

It's a common misconception that the manufacturer is liable for any product-related issues - but this isn't always the case. For instance, If your manufacturer is based outside the EU, they would not be liable - but you may very well be!

## **Does my work depend on expensive tools or equipment?**

Business contents insurance may be worth thinking about if your work is highly dependent on specific tools or equipment that you would have trouble replacing in the absence of insurance.

A freelance writer who relies on a basic laptop for work may not feel the need to get this cover. On the other hand, a photographer who uses expensive camera equipment will likely find it necessary.



### **Does my work involve giving advice?**

If your work involves any form of consultancy, advice, design or even healthcare-related services, you may want to consider taking up professional indemnity insurance.

This particular cover is relevant to many freelancers, and includes defence costs related to a claim and compensation if your client suffers a financial loss that resulted from engaging your professional services.

**Free Registration**

**For all Accountancy and Virtual Office packages**

## **Does my work involve working with personal information, or computers?**

If any aspect of your work involves the storing or processing of personal information, you may want to think about cyber insurance.

It sounds deceptively techy, but is actually relevant to many businesses (tech-focused or otherwise). That's because very few of us get by today without some form of technology at work - whether it's in the form of websites, servers or basic online software.

Even for those with only a small IT footprint, cyber-attacks present a risk. Cyber insurance offers assistance in the event of a data breach, hacking, cybercrime and the business interruptions that these incidents may cause.

## **Does my work involve use of media (e.g. photography)?**

If your work involves handling media content - such as photographs on a website or social media - the accidental use of a trademarked image could lead to trouble down the line.

Media liability insurance is designed to protect you in these situations. These incidents do happen unexpectedly often, and are often a costly mistake for businesses.

# Choosing a business insurance policy.

Choosing a business insurance policy is actually fairly straightforward, once you've understood your set of risks and determined what you need covered.

When it comes to choosing financial products, some recommended steps for self-employed workers include:

## 1. Check reviews

You'll usually be able to find these on a selection of the following: Facebook, Feefo, Google and Trustpilot.

## 2. Check that customer support is available in a way that works for you

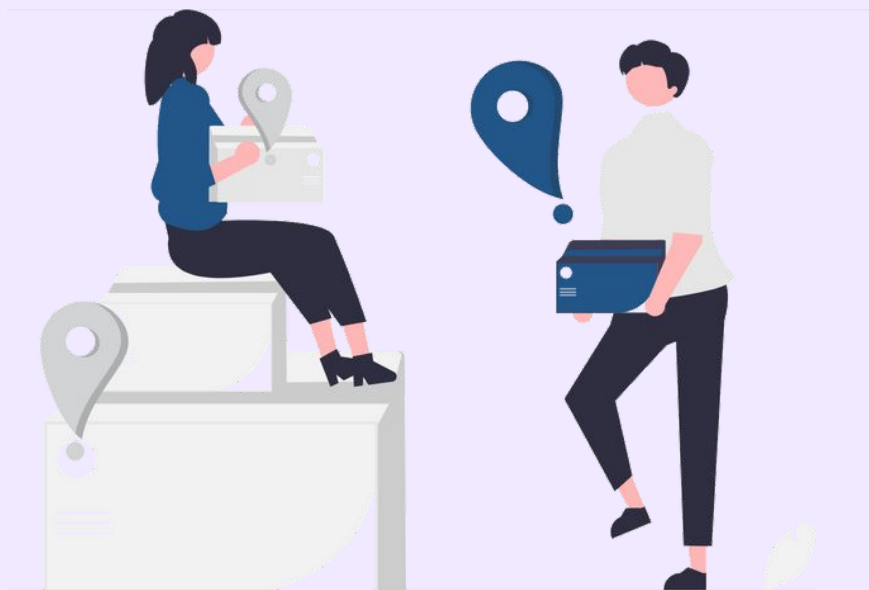
If you aren't able to make phone calls during working hours, for example, you'll need a provider which offers support by email or live chat.

### 3. Check regulatory ratings

A score of A or higher from A.M. Best, Lloyd's, S&P or Fitch is indicative of a trusted provider.

### 4. Shop around

Don't go with the first company you get in touch with. It's best that you obtain quotes from different providers, compare policies and suss out how a company's customer service is like before making a decision.

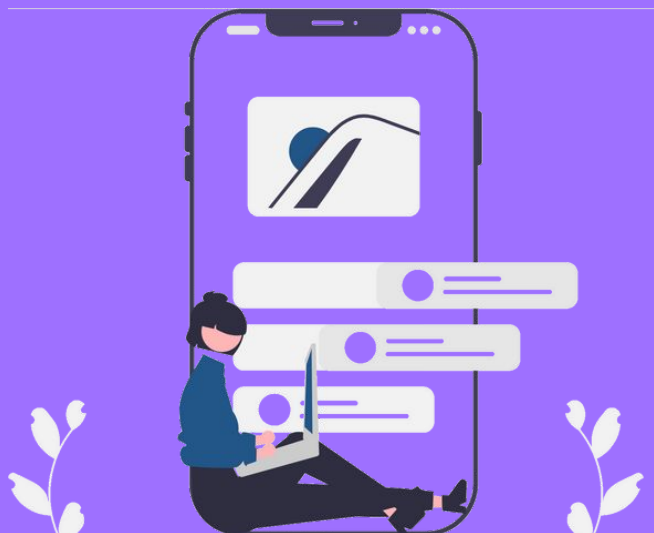


## 5. Review your policy carefully

Don't make assumptions that something is covered when it's not mentioned or may be specifically excluded, and be sure that you have a thorough understanding of the terms.

Here's an example: the term "contents" refers to anything that can be removed and taken away to another building, while "structural items" are objects that are attached to a unit or property. "Building" refers to structures that will be occupied - differs from the definition of the term "structure". This can mean that if your policy covers "buildings", it may not cover external structures like outbuildings.

It's important that you review the policy carefully, ensure that everything that should be covered is covered and purchase additional coverage where needed.



# Why choose GoForma?

## Because we built a radically different service.



### Dedicated Accountants

You get a dedicated single point of contact - not a generic support inbox.



### WhatsApp Support

Easily WhatsApp your accountant and get advice quickly.



### London Business Address

Get a central London business address with digital mail forwarding - you can also book meeting rooms.



### Great Accounting Software

We partnered with FreeAgent to provide the simplest yet most advanced software for your business - included within your monthly price.



### Tech Integrations

We use a range of API's to ensure we have clear insights on your company, accounting and deadlines.



### Tax Optimization & Insights

We'll ensure you optimize your tax and know exactly how much you need to pay.