



# Dallas Kirkland (Professions) Ltd.

Welcome to the recruitment insurance newsletter  
from REC approved insurance brokers Dallas Kirkland

## Risky Business!

With many recent changes to employment and agency legislation there are new risks which agencies now face. In this newsletter we outline some of these risks and provide a short checklist to consider the solutions to various common risks encountered by recruitment agencies. Focus on:

### 1. Employment Agencies Act

The introduction of the Act from an insurance perspective, whilst not increasing the potential risk of an employer's liability claim, continues to make agencies responsible for issues normally the province of an employer. One of the risks to an agency therefore appears to be that of defending itself in relation to any employment rights disputes with Temporary Workers. In this respect until common ground is found it would be considered prudent to ensure that any Legal Expenses policy is able to respond to this new area. We at Dallas Kirkland (Professions) Ltd (DKPL) are currently working with our own Legal Expense experts to ensure that suitable cover will be available shortly.

### 2. Contract Issues

Two areas agencies should consider in contract negotiation with their own clients where agencies may mistakenly feel they have cover are:

■ Where agencies choose, due to business/financial pressure from their customers to supply on the customers' Terms of Business. The decision to supply terms other than those recommended by the REC could substantially change the liability risk as these 'non standard' contracts may dilute if not remove entirely any normal defences against potential liability. In such circumstances any 'non standard' contract should be referred to your broker to obtain insurers' ratification that it does not conflict with existing cover arrangements.

■ Agencies often mistakenly believe they have protected themselves against 'non-standard' contracts by passing the terms and conditions on to the contractors they are placing with those clients. Passing on a claim for say professional negligence where the contractor has no insurance cover themselves and little or no assets is no guarantee of protection and could leave the agency seriously exposed.

We would strongly recommend that within professional contractor staffing agencies:

- ◆ Contractors' insurance cover is checked at the same time as VAT and company registration details, if applicable
- ◆ Contractual arrangements between the agency, its clients, and its contractors are handled by dedicated staff and not by recruitment consultants to avoid any commercial conflicts of interest and protect the agency.

Overleaf we have prepared a risk checklist for your use. Should you require further explanation of any of the covers mentioned please contact your insurance broker or contact us at Dallas Kirkland:

**Tel: 0500 49 7777 or Email: [info@dallaskirkland.com](mailto:info@dallaskirkland.com) Fax: 020 7702 1441**



[www.dallaskirkland.com](http://www.dallaskirkland.com)



# Dallas Kirkland Risk Checklist

Risk	Solution	Are you currently Insured?
Bodily injury or illness to:		
- Employees	Section 1 on our Combined Liability Policy	Yes / No
- Temporary Staff	Section 1 on our Combined Liability Policy as a contingent cover dependant on Terms of Business	Yes / No
- Others (Including damage to property)	Section 2 on our Combined Liability Policy	Yes / No
Damage to customers' vehicles:	Section 4 on our Combined Liability Policy	Yes / No
Customers' financial loss following alleged agency wrongful supply	Professional Indemnity Policy	Yes / No
Negligence of Temporary Workers supplied (if Limited Company Contractor)	Professional Contractors Insurance	Yes / No
Theft by Temporary Workers supplied	Fidelity Bonding Extension to Professional Indemnity Policy	Yes / No
Supply of Temporary Workers to gas/oil industry (offshore)	Offshore Extension to Combined Liability Policy	Yes / No
Office based property assets of company	Office Contents Policy	Yes / No
Increased costs in reinstating above	Extension to Office Contents Policy	Yes / No
Costs involved in the pursuit or defence of your rights via the legal system	Legal Expenses Insurance	Yes / No
Personal Liability of Directors following insolvency or an illegal act	Directors and Officers Liability Insurance	Yes / No
Customer insolvency or protracted default	Credit Insurance	Yes / No
Injury or death of Temporary Worker whilst on assignment	Personal Accident Insurance	Yes / No



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