



# Craft Business Insurance

## A guide to typical considerations

The purpose of insurance is to cover your company in situations you cannot afford. The majority of businesses will require some sort of business insurance policy.

**Insurance can be confusing when you are a new business or when you are trying to work out what you need rather than what someone wants to sell you. We have produced this document as a helpful quick-glance guide.**

If you sell any kind of crafts or products then it is likely you will need insurance. This includes selling at an event, organising parties or events, selling online or even working from home. In extreme circumstances, failure to be appropriately insured could result in legal action with possible fines or even imprisonment.

Most event organisers will insist you have a certain amount of cover (usually Public and Product Liability) and may even insist on seeing a valid certificate of insurance before accepting a booking. Depending on cover required, some of these policies can cost as little as £1 per week. The cost of the premiums for your liability insurance will vary and are usually calculated by reviewing the type of business you operate and the level of activity over the year.

The Association of British Insurers has a resourceful website that provides impartial advice: <http://www.abi.org.uk/Information/default.aspx>. Also, the insurance section at [www.businesslink.gov.uk](http://www.businesslink.gov.uk) includes useful information about business insurance - there is even a tool that will help you decide what cover is compulsory and what cover it is advisable to have.

Below is a list of the types of insurance that should be considered. We would recommend that all areas are investigated to ensure that your business, service or in some cases hobby, does not invalidate existing policies or cause unexpected losses or hardship. Remember that insurance companies will be able to help. The amount of cover you decide to insure is completely individual and depends completely on the nature of your business and everyday activities in your set-up.

Before obtaining quotes, it would be worthwhile determining what type of cover is essential and non-essential for your business model. Do remember that some insurance companies may not be able to provide cover for every eventuality listed below.

Typical Insurances For Craft Businesses	
Public Liability	Public Liability insurance covers the award of any damages given to a claimant, or member of the public, because of an accident resulting in injury or damage caused by your business. It also covers legal fees, any related costs and additional expenses. This includes members of the public or customers coming to your premises or you going to theirs (including if you work from home).
Product Liability	Product Liability is needed if your business supplies products to consumers. You need to make sure the products are safe. The heaviest responsibility falls on producers, e.g. the manufacturer of a product. But distributors - such as shops and wholesalers - also have legal responsibilities. You could also be sued by anyone who has been injured or has suffered damage to personal property as a result of using your product.
Employers' Liability	Employers' Liability insurance enables businesses to meet the costs of damages and legal fees for employees who are injured or made ill at work through the fault of the employer. Employees injured due to an employers' negligence can seek compensation even if the business goes into liquidation or receivership.

### Typical Insurances For Craft Businesses

	<p>By law, an employer must have this insurance and be insured for at least £5 million – even if your business employs someone on a voluntary basis.</p>
Internet Sales	<p>A lot of small businesses sell online and handle customer data. It is really important to have excellent IT security systems in place but you may also want the reassurance of some dedicated e-risk insurance cover. Also, you may want to protect your business with coverage for claims related to allegations of negligent activities or failure to use reasonable care as a result of an error or omission on your website.</p>
Home Business	<p>It is often easy to forget to amend an existing home insurance policy when starting a hobby or running a business from home.</p> <p>For example, jewellers may not necessarily know that some heat tools are not permitted and potters or ceramic kiln owners may not consider it important to advise their insurance company that they are running a kiln in a domestic environment.</p> <p>However, whether you forget or neglect to tell your insurance company, the end result is the same i.e. the insurance company will invalidate your policy and NOTHING will be covered if, for example, you have a fire as a result of your tools and equipment.</p> <p>Additionally, some home insurance companies will invalidate a policy if a home address is provided on any marketing literature or via the internet – thereby forcing businesses to organise a postal box address.</p> <p>You must remember to say if members of the public or customers come to your premises or whether you want insurance for stock, tools and equipment. It is important to know that some mortgage providers and tenancy agreements contain clauses relevant for home businesses. Therefore, let them know if you are deciding to operate a hobby and business from home to avoid costly legal mistakes.</p> <p>Council contact. You don't usually need planning permission to run a business from home - but that's only if the premises will remain predominantly residential. If you're planning some alterations to help accommodate your business you should check with the local planning office first. If the room you plan to work in is dedicated solely to your business, you could be liable to pay business rates rather than domestic rates on that home business space. This is not necessarily more expensive but it is another cost to consider. Your accountant will advise if there are any other tax benefits for your home business.</p>
Stalls, Events, Training, Demonstrating, Parties	<p>If you are attending a public event, it is likely that the venue will have insurance cover. However, this may not cover your business so it is always important to check or ensure your business has the necessary insurance to cover every eventuality.</p> <p>If you are organising an event yourself, whether it is held at public or private venue, it is your responsibility to organise appropriate insurance.</p> <p>Remember to advise your insurance company if you intend to provide demonstrations/training and/or consultancy services as some insurance companies will not cover these activities.</p> <p>You may wish to take out additional insurance for stock, stands, fixtures &amp; fittings, loss of profits etc.</p>
Car Insurance	<p>Do remember that most car insurance policies do not cover the insurer to use the vehicle for work purposes. Therefore, if you have an accident and it is decided that the vehicle was being used for 'business' purposes, your insurance company may invalidate your insurance policy and you will be unable to claim for anything – including repairs or replacement.</p>
Tools & Equipment	<p>It is typical to organise insurance for tools, equipment and stock on home or business policies.</p>

<b>Typical Insurances For Craft Businesses</b>	
Sickness	If your mortgage payments or other debts are reliant on income from your business, you may wish to organise additional cover on your home or business policy.
Exporting Goods	Export insurance may be appropriate to cover against the risk of non payment or other potential incidents that may occur and result in financial losses for your business. NB: some insurance companies have restrictions on exporting to countries like USA.

<b>Other Considerations When Selling Crafts</b>	
Selling home-made bath beauty, cosmetic and toiletry products.	Safety assessment of your recipes, methods and products by a qualified individual or body (laboratory) is a legal requirement for everyone selling home-made bath beauty, cosmetic and toiletry products to the public. Selling product without safety assessment is dangerous and may leave you open to prosecution. Legislation exists to protect you and the public.
Product Labelling and Packaging	<p>If your business is involved in trading goods you must be both clear and honest on all packaging and labelling. If you're misleading in any way you could find yourself committing a criminal offence under the Consumer Protection from Unfair Trading Regulations 2008 which repealed and replaced most of the Trade Descriptions Act. These regulations make it an offence to give consumers misleading information on packaging and labels.</p> <p>There are other laws which regulate the way in which goods are labelled, covering, for example, details of their composition or price.</p> <p>It is the responsibility generally not just of those making goods for sale but also of those retailing them to respect these laws. So it makes good business sense before you start trading of any kind to find out which laws would affect you and how.</p>
Changes	<p>If your set-up alters in any way i.e. the products offered change from those historically sold, or you decide to attend an exhibition for the first time, it is advisable to keep your insurance company informed so see if they are still prepared to offer you cover.</p> <p>It is important to remember that should you decide NOT to inform your insurers of changes to your business, they may decline future claims which could result in substantial losses.</p>

<b>Companies Recommended By Customers:</b>	
<b>Topic</b>	<b>Website / Description</b>
<b>Events</b> <b>Market Trade</b> <b>Exhibitions</b> <b>Outdoor Events</b> <b>Traders</b> <b>Online Traders</b> <b>Organisers</b>	<p><a href="http://www.events-insurance.co.uk/">http://www.events-insurance.co.uk/</a>            Event Insurance Services Limited is a specialised intermediary operating within the private and corporate sectors. Their policies provide affordable, reliable insurance, tailored to fit the scale and style of the occasion – from school fetes and small ceremonies to high profile weddings and events.</p> <p><a href="http://www.cmtia.co.uk/">http://www.cmtia.co.uk/</a>            With this company, thousands of traders up and down the country benefit from Insurance Services especially catered for Markets, Exhibitions and Outdoor Events.</p> <p><a href="http://www.barrs-insurances.co.uk/">http://www.barrs-insurances.co.uk/</a>            A company offering bespoke services to cover any eventuality. Providers of personalised policies for personal insurance needs including unique business set-ups.</p> <p><a href="http://www.nmtfmarketline.co.uk/index.php?action=home">http://www.nmtfmarketline.co.uk/index.php?action=home</a>            Specialists in designing insurance schemes for market traders. This company aims to provide value for money with the best possible customer service.</p>

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	<p><a href="http://www.gmimberltd.com/Products.html">http://www.gmimberltd.com/Products.html</a> G M Imber &amp; Sons Ltd. (GMISL) are a family owned insurance brokers who offer an assortment of niche insurances including: Market, Craft, Antique industry; Musical Equipment Insurance, and Bouncy Castle Hirers. More information and forms related to these products are available on the website.</p> <p><a href="http://www.insurance-partnership.com/insurance-broking/overview">http://www.insurance-partnership.com/insurance-broking/overview</a> The Insurance Partnership (John Hughes) is a fully independent and authorised insurance broker. They offer a personalised service-driven strategy, dovetailed to clients' requirements. This businesses has been recommended for organisers insurance.</p>
<b>Business Insurance</b>	<p><a href="http://www.simplybusiness.co.uk/">http://www.simplybusiness.co.uk/</a> Simply Business offers a range of tailored business insurance quotes to compare from leading business insurance companies. Flexible covers include public liability insurance and more.</p> <p><a href="http://www.gmimberltd.com/">http://www.gmimberltd.com/</a> Commercial Insurance Brokers specialising in bespoke insurance packages for sole traders and national companies. Niche insurance products include: Markets and Craft.</p>
<b>Shop Insurance Café Insurance</b>	<p><a href="http://www.premierlinedirect.co.uk/our-products">http://www.premierlinedirect.co.uk/our-products</a> Offer shop insurance policies providing cover for businesses who sell a product or service from premises. Providers of flexible policies at competitive prices, covering a range of business such as hairdressers, florists, newsagents, cafes and grocery stores.</p>
<b>Craft Insurance</b>	<p><a href="http://www.craftinsurance.co.uk/">http://www.craftinsurance.co.uk/</a> Insurance company specialising in Craft Insurance in the UK and Republic of Ireland. Providers for individuals, partnerships, companies, craft groups, etc.</p>
<b>Artists Insurance</b>	<p><a href="https://www.a-n.co.uk/join_in/faqs/single/567125">https://www.a-n.co.uk/join_in/faqs/single/567125</a> Insurance for any UK-based individual visual and applied artist who is signed up to AIR as an integral part of the a-n Artist subscription and whose AIR subscription is current. Scheme brokers, Hencilla Canworth, can arrange bespoke quotations - <a href="http://www.hencilla.co.uk">www.hencilla.co.uk</a></p>

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