

Employers

New policies have been developed to cover any liability that might be imposed on an employer if an employee is injured in the course of his or her employment. In many states in the US, the insurers are prohibited from including conditions within their policies that seek to impose any unreasonable conditions precedent to liability, or require the insured either to take reasonable precautions or to comply with current legislation and regulations. In those countries where such insurance is not compulsory, smaller organizations are often driven into bankruptcy when faced by claims not covered by insurance.

Note that in the United Kingdom Employers Liability Insurance is compulsory, unless the only employee is the owner of the company (who holds at least 50% of the shares) or the business is a family business which is not incorporated as a limited company.[3]

Workers' compensation in the United States in most states operates through administrative adjudication outside of the federal and state courts; in turn, workers' comp insurance is regulated and underwritten separately from liability insurance. That is, most businesses will go to a liability insurer for a Commercial General Liability policy, and to a specialized workers' comp insurer for a workers' comp policy (which is usually compulsory unless the employer can demonstrate the capability to self-insure for workers' comp).