



Employment law: remaining compliant

Employment law can be a complex minefield of procedures, and it is surprising just how many companies remain unwittingly noncompliant when it comes to their duty of care towards their employees. Constant legislative changes mean that companies need to review their employment practices regularly to ensure that they are up-to-date with their legal obligations as employers, and effective policies mean that the chances of litigation are minimised.



But no matter how well prepared they are, some companies still become subject to prosecution. Even companies who are fully compliant are still at risk of being taken to a tribunal, perhaps as a result of mavericks among the management team who do not comply with company policy or an unfounded claim made by a disgruntled employee.

With 132,577 claims being accepted by the Employment Tribunal Service in 2006-7, tribunals are a rational concern for many company directors, as legal proceedings are both costly and time-consuming, and in the event of losing the case, can involve a significant payout to the employee.

Having put together a strategy for ensuring compliance, a company can work with its insurance broker to put in place a process that will minimise the financial impact in the event of litigation.

This can include Employment Practice Liability Insurance which covers legal costs and payouts in the unfortunate event of a lawsuit being brought under employment law, for example if discrimination or constructive dismissal is alleged.

Insurance is no substitute for regularly reviewing employment policies to ensure that they keep pace with the law, as it cannot protect companies from being claimed against, but it can help to protect businesses from some of the financial impact should a claim be made.

To find out more, call Stephen Webb on: 0116 204 3055 or email stephen.webb@theovalgroup.com