



ΑΣΦΑΛΕΙΑ ΕΥΘΥΝΗΣ ΕΡΓΟΔΟΤΗ EMPLOYERS LIABILITY INSURANCE POLICY

Γενική Επισκόπηση / Overview



[ENGLISH]

Compulsory Insurance of the Liability of Employers towards their Employees

On the 1st November 1997, the Employers' Liability Compulsory Insurance Law came into force, together with the relative Regulations, which was subsequently updated in 2011.

WHAT IS COVERED BY THE COMPULSORY INSURANCE

By virtue of the provisions of this Law, all Employers are required to have in force an insurance cover for their **legal liability** for an **accident or occupational disease** that their employees may suffer in the course of their employment.

The term "accident" includes personal injury or death and, for a legal liability to arise against the employer, he will have to be found guilty of **negligence** or in **breach of a duty imposed by Statute**.

The cover envisaged under the Legislation **extends to all Cypriot employees of the employer abroad**, provided that they are **permanently residing in Cyprus**.

LIMITS OF LIABILITY

The **minimum liability** for insurance envisaged by the Legislation is:

For every employee	€160,000
For every event or series of events	€3,415,000
For every 0period of insurance an aggregate cover of	€5,125,000

All these limits are minimum, every employer has the right, if this is considered reasonably necessary, to ask his Insurer to extend his cover over and above the statutory limits. This extension will naturally entail an increase in the premium payable.

WHO IS CONSIDERED AN EMPLOYER

The requirement for Insurance cover provided by the Legislation affects all persons who employ other persons for **more than 8 hours per week** and includes also foreign workers/domestic employees.

REGISTERS THAT EMPLOYERS ARE REQUIRED TO KEEP

The Legislation requires all employers to keep **registers** in connection with the number of their employees, the duties performed by each one of them and their gross earnings. "Gross Earnings" means the salary/wages, as well as any other benefits that the employee is entitled to.

The amount of gross earnings of his employees is a material information that the employer is under a duty to disclose to his insurer, in view of the fact that this amount forms the **basis for the assessment of the premium**.

At the end of every period of insurance the employer has to submit again a similar statement, so that any necessary re-adjustments may be made.

THE CERTIFICATE OF INSURANCE

One very important element which is being introduced by this Legislation, is the fact that the policy is accompanied by a **Certificate of Insurance**.

An uninsured employer is subject to criminal prosecution and, at the same time, he will have to meet personally any possible claims from his employees. All Certificates of Insurance should be displayed at the employers' place of business, as well as at every business site, so that the Inspectors of the Ministry of Labour may inspect them from time to time.

PENALTIES FOR NON-COMPLIANCE

Employers who **fail to insure** as provided by the Legislation are liable to prosecution and in case of conviction they may face imprisonment for a period of up to 12 months or fine of up to €1709 or both sentences.

Similar penalties are provided also in case of **false declarations or concealment of material facts**.

Insurers are obliged to inform the Director of Social Insurance of their Insurance Policies in force

REGISTRATION NUMBER OF EMPLOYER

The **Social Insurance Number of the employer** is a necessary element which should appear on all basic documents relation to the Insurance Cover. For this reason all employers should know and disclose this number to their insurer.