



Employment law and the Insurance Industry

Protecting confidential information

- Employees should know what information is confidential and policies should be in place to prohibit its unauthorised use and disclosure.
- Employers wishing to protect the disclosure and use of confidential information by former employers must do so expressly. Otherwise only trade secrets, such as secret processes or information which is similarly secret, will be protected.
- Examples of the types of confidential information that an employer might wish to protect are: financial information, sales strategies, client names and contact details, pricing policies and discounts.

Protecting client connections

- Unless there are contractual restrictions in place, there is little an employer can do.
- Contractual restrictions can be introduced however to prevent “solicitation” and “dealing” with clients.
- Such restrictions must be carefully drafted and go no further than reasonably necessary to protect the employer’s legitimate business interests.

Retaining key staff

- Employee satisfaction is paramount.
- “Non-poaching” restrictions can be included in employment contracts.
- Such restrictions must be carefully drafted and go no further than reasonably necessary to protect the employer’s legitimate business interests.
- Inheriting staff under the Transfer of

Undertakings Regulations.

- Rights, powers, duties and liabilities under or in connection with the employment contract will transfer but the new employer can face difficulty relying on post termination restrictions entered into by the employee with the old employer.
- Employers should exercise due diligence before employment commences and ascertain, with the benefit of legal advice, whether reliance can be placed on the restrictions.

Introducing contractual restrictions during employment

- Contractual restrictions cannot simply be introduced. The law requires “consideration” or some sort of additional benefit for a new contractual bargain.

New employees who bring “their clients” with them

- Care must be taken to ensure the new employer is not inducing the employee to breach restrictions he owes to his former employer.
- It is likely that the new employer will wish to introduce restrictions which will effectively prevent the employee taking “his clients” with him when he leaves.
- Special considerations are likely to apply to the introduction of such restrictions.

How can we help?

Brachers employment team have experience helping insurance clients protect their business by providing solutions to employment difficulties.

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"Its 'highly professional and knowledgeable' team is led by the 'thorough and friendly' Catherine Daw."

The Legal 500

Meet the team



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