



## Insurance implications of the new food regulations for food businesses

From 13 December 2014 the EU Food Information for Consumers Regulation will come into force and will change the way that retailers who sell loose food, i.e foods that are not pre-packed by others and are usually wrapped on the same site as they are sold, have to provide information to customers.

The regulation states that retailers need to make it very clear if any item classified as a loose food includes any of the 14 key allergens: gluten, egg, nuts, soya, milk, celery, crustaceans, mustard, peanuts, fish, molluscs, sesame, lupin and sulphur dioxide. It will no longer be acceptable to label an item 'may contain traces of' it will have to state that it either does or does not contain the allergen.

Whilst the regulation is hugely beneficial for customers with allergies, these changes will have significant repercussions for food retailers. To date there has been little activity to raise awareness across the industry of just how serious the implications of the regulation are, the impact that it will have on food businesses and how insurance policies will be affected. The information about which allergens are contained in the food has to be displayed clearly and should be easily visible to customers, such as on a menu, a chalkboard or an information pack that contains product specification sheets and ingredient labels. Additionally staff will need to be able to provide customers with the same information orally and it will not be acceptable to be unaware of the requirements.

Businesses have a legal responsibility to ensure that customers have access to the information they require and that staff are competent in understanding and delivering this. Educating staff on the regulation is of paramount importance. Food businesses need to conduct training programmes in advance of 13

December to be confident that staff have an in-depth understanding of the allergens, the procedures for handling them, preventing cross contamination and how to handle information requests from customers. Businesses should also regularly update their information and training programmes to make sure that staff are familiar with the requirements of the regulation. Also important is the continuity of recipes for example, two different makers of the same range of sandwich may use different ingredients.



Insurance should be a priority for businesses in the lead up to the date of implementation. It is advisable to work with a specialist who understands the food industry and can provide advice on how to mitigate risks and which insurance cover the business needs.

### Product liability insurance

Although not legally required, it is advisable for business affected to include product liability insurance within their insurance programme. Product liability is designed to cover unforeseen circumstances that cause damage to a third party, notably a person. If a



product is defective in this case an item of food, and causes injury to a customer e.g. an allergic reaction then the business selling the loose food may be liable for damage under the Consumer Protection Act or for negligence. Most quality public liability policy wordings will have a product liability extension but the first step is to check whether your existing policy includes this. Cheaper policies often exclude this cover.

### Serious consequences of a new regulations

Allergic reactions are very serious and in some cases fatal so it is important that businesses understand how they need to comply with the incoming regulation. Failure to comply may result in prosecution with potentially hefty fines levied which is why businesses handling loose foods need to ensure they are aware of the implications of the regulations, identify and address any knowledge gaps among their staff and check their existing insurance policy to assess whether appropriate cover is in place.

For more information on food allergen disclosure and labelling and other requirements of the Food Information Regulations, visit [www.food.gov.uk/enforcement/regulation/fir/](http://www.food.gov.uk/enforcement/regulation/fir/)



01938 557980  
[retail@bluefingroup.co.uk](mailto:retail@bluefingroup.co.uk)  
[bluefingroup.co.uk](http://bluefingroup.co.uk)

#### Disclaimer

Any views or opinions expressed in this briefing are for guidance only and are not intended as a substitute for appropriate professional guidance. We have taken all reasonable steps to ensure the information contained herein is accurate at the time of writing but it should not be regarded as a complete or authoritative statement of law.

Contains public sector information published by GOV.UK and the Food Standards Agency and licensed under the Open Government Licence v1.0.

[bluefingroup.co.uk](http://bluefingroup.co.uk)

Bluefin Insurance Services Limited is authorised and regulated by the Financial Conduct Authority.

