

Insurance Policies

Introduction

Insurance can be a daunting, confusing and complicated subject but one that voluntary organisations and community groups ignore at their peril. It is an item that will not go away and there will be some policies that all groups must have. This introductory guide aims to detail the types of policies available.

More information is available at:

www.volunteering.org.uk/Resources/information/50frequentlyaskedquestions

www.ncvo-vol.org.uk/askncvo/index.asp?id=493&terms=insurance

What kind of Insurance?

Public Liability Insurance

Every organisation / group must have this to cover themselves against any action raised by a third party for loss, injury or damage suffered as a result of the organisations activities. The minimum indemnity limit should be at least £2million – this may seem high but many would recommend a minimum amount of £5million. However the annual premium for most groups is likely not to be too frightening but the peace of mind is worth a lot more. Check that the policy includes costs and expenses in defending proceedings under Health and Safety regulations and Act; damage to hired or rented property and/or equipment; member to member liability; the activities that are included – if it is 'usual and regular events' is the annual trip to the seaside or a sponsored walk covered?



equipment, particularly electrical, is taken into a building? The sum insured should represent the full rebuilding cost.

Equipment (or Buildings Contents) Insurance

Check if it is a 'new for old' policy; are items covered away from normal place of use, or if loaned out, or stored in a private residence.

Personal Accident Insurance

To provide financial payments to individuals injured when undertaking activities or attending events organised by the group. Check the exclusions, are you likely to include any in your programme of events and activities? This cover may be seen as an employee / volunteer benefit: desirable if finances permit, but not essential.

Employers Liability Insurance

Covers paid employees in the event of accident, disease or injury caused or made worse as a result of work or of employer's negligence. If you employ staff, you are required by law to have employers liability cover for a minimum limit of liability of £5 million. However, in practice the insurance market usually gives a limit of £10 million as standard. Even if your organisation operates only with volunteers, you should still consider cover as they are carrying out duties under the direction of the management committee. The policy must explicitly mention volunteers if they are to be covered by it.

Professional Liability Insurance

Professional liability, professional indemnity errors and omissions or malpractice insurance covers the organisation for claims arising for loss or injury caused by services provided negligently or without reasonable care. Such loss might arise, for example, from incorrect care or inaccurate advice. An organisation can be sued for claims arising from incorrect advice or information even if it is given free or via a telephone helpline. Professional liability insurance should also cover defamation, inadvertent breach of copyright, confidentiality and loss of documents.

Buildings Insurance

All groups that own their own premises must have this. If you rent accommodation check the owner's building policy. What are your responsibilities if

Specialist insurance might be needed for particular activities or one off events or even for loss of income through inclement weather.