



Insurance for voluntary and community groups

CORE 07

An appropriate level of insurance is necessary for any voluntary or community group. Any action, or failure to act, by an organisation is in practice the responsibility of one or more individuals within the organisation. It is therefore advisable to make sure that you have adequate insurance to cover the organisation's assets, the general public and your staff, committee members, volunteers and members against any liability which they may incur while carrying out the organisation's work.

Whatever type of insurance you take out, it is essential that it covers you for the right amount. If you are unsure how to calculate this, take advice from a reputable insurance broker who understands your organisation and has experience of your area of work.

Who can take out insurance?

If you are an unincorporated organisation, any insurance must be taken out in the name of your committee members, but the proposal form should be signed by one individual on behalf of the other committee members. If that person leaves the organisation the insurance must be transferred to someone else's name.

Incorporated organisations can take out insurance in the name of the organisation.

Types of cover

There are two types of insurance which are required by law:

Employer's liability insurance. If you employ staff, you have a duty to insure against claims by workers for illness or injury caused by the organisations negligence. There is a minimum statutory cover. The employer's liability insurance certificate must be prominently displayed in the workplace. All certificates have to be kept for 40 years. Be aware that this insurance does

not usually cover volunteers, committee members, service users, consultants, trainees or self-employed people, although some specialist policies will cover volunteers. You will need public liability insurance to cover these groups. You can also insure against staff being off sick by taking out **Accident & Medical insurance**.

Road traffic insurance – if your organisation uses vehicles on the road, you must have this to insure drivers against third party risks. It is probably worth extending this insurance to cover all damage with a comprehensive policy. If you have volunteer drivers using their own vehicles you must make sure their vehicles have insurance cover for their volunteer use.

Other types of insurance may be required by a landlord, funder or local authority, or because it is in the organisation's best interest. These types of insurance include:

Public liability insurance – this covers claims for personal injury or property damage caused to any member of the public as a result of the organisation's negligence. It will not cover injury or damages arising from negligence in the course of providing any sort of professional service – see Professional Indemnity Insurance below. Make sure that your cover includes volunteers as it does not cover employees of the organisation.

Buildings insurance – if you lease your premises, this may be your responsibility or it may be taken care of by your landlord, in which case you have the right to inspect the policy. If you own your premises, be aware that under charity law there is a duty to protect a charity's assets. A committee which left a building uninsured could be seen as negligent in their duty. The costs of re-building, including professional fees, and the costs of temporary accommodation should be covered. Shop fronts may need special insurance.

Contents insurance – this gives cover against theft or damage. Make sure that you keep the figure insured up to date and notify your insurers about any shared equipment. The insurer may insist on you buying special locks or alarms. To extend this insurance you may want to

- cover equipment which is taken out from the main base '**All Risks insurance**'
- cover for '**Accidental Damage**'
- cover for '**Equipment damage & breakdown**' if you depend heavily on technical equipment eg computers

Professional indemnity insurance – public liability insurance will not cover injury or damages arising from negligence in the course of providing any sort of professional service, for example giving advice or providing health treatment, even if the service is free. This is when professional indemnity insurance becomes necessary. It can be expensive, but some national umbrella organisations have negotiated lower rates for members. It can be extended to cover slander or libel which may be important for campaigning organisations.

Trustee and directors' indemnity insurance – this protects trustees (also known as committee members) or directors against the risk of personal liability arising from breach of trust and negligence to the organisation itself. It does not insure against liability for the organisation's debts, or negligence to third parties.

There are many other types of cover which you may decide are relevant to your assets and the type of work that you do. You may wish to seek the advice of a reputable insurance broker who understands your particular activities and risks.

More information and advice is also available from:

Charity Commission - www.charity-commission.gov.uk 0845 3000218

NCVO - www.ncvo-vol.org.uk 0800 2798798

On the market

Please note that this is not a comprehensive list and inclusion on this list does not imply a recommendation of these products. It is always advisable to get more than one quote for insurance.

Specialist brokers

Access Insurance - 0870 241 2214.

Aon Risk Services - 0845 740 2003

Ecclesiastical Insurance Group - 08457773322

Endsleigh Insurance Brokers - 01242 866800

Keegan and Pennykid – 01312 256005

Kyle Insurance Brokers aka insureuk - 028 2565 2424

Ladbrook - 01909 565858

MIA General Insurance - phone 01438 739787

MCIS (for disability/care organisations) - 0121 233 2722

Stuart Alexander - 020 7335 0691/1621

Specialist policies

Ansvar Insurance - 01323 737541 Various specific insurance policies designed for the sector such as Community Groups (for groups using church or community premises), Charity Shops, Minibuses, Small Charity Offices etc.

Marsh Charities Division - 01737 775378 Specialist policies including one covering internet/web matters.

Royal and Sun Alliance Charities team - 01403 235047. Specialist voluntary and community policies, including employers, personal accident, events, legal expenses.

Zurich Municipal Community Policy - 0845 602 3896. Can be used as the basis for a tailored policy.

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