

Insurance

Introduction

Management committee members must make sure their organisation is fully insured for the work it does. What you need will depend upon the activities you carry out, if you employ staff or use volunteers and if you own or use buildings, vehicles, equipment and so on. You should nominate one management committee member and, if you have them, a staff member or volunteer, to oversee all insurances and make sure they are up to date. They should report to the management committee at least once a year, so add it to your list of annual actions. You must make sure your organisation is not under-insured because an insurer may refuse to payout at all or will reduce the claim payment.

How to get insurance

You can buy cover directly from an insurance company or an insurance broker, which sells policies from a range of insurance companies.

Unincorporated organisations will need to nominate one individual from the committee who will sign the forms and will take out the policy on behalf of the other committee members. If that person leaves, the insurance must be transferred to someone else's name. Incorporated organisations (charitable companies, industrial and provident societies, charitable incorporated organizations (CIOs) or Community Interest Companies (CICs) can take out insurance in the name of the organisation.

Certain types of insurance are mandatory, irrespective of the specific activities of your organisation or how it is constituted.

What is employer's liability insurance?

Employer's Liability Insurance covers the employer against illness, injury or death to an employee occurring during the course of employment and arising as a result of a breach of a statutory duty (breach of health and safety legislation) or neglect. Volunteers could also be considered to be employees, depending on the nature of their work for the organisation. If this is likely, then it is important that cover is in place.

Employers are responsible for the health and safety of their employees while they are at work. Your employees may be injured at work or they, or your former employees, may become ill as a result of their work while in your employment. They might try to claim compensation from you if they believe you are responsible. The Employers' Liability (Compulsory Insurance) Act 1969 ensures that you have at least a minimum level of insurance cover against any such claims.

Employers' liability insurance will enable you to meet the cost of compensation for your employees' injuries or illness whether they are caused on or off site. However, any injuries and illness relating to motor accidents that occur while your employees are working for you may be covered separately by your motor insurance. You can be fined if you do not hold a current employers' liability insurance policy which complies with the law.

What is public liability insurance?

Public liability insurance is different. It covers you for claims made against you by members of the public or other businesses.

Any organisation, no matter how small, should have Public Liability cover. Many groups who use premises and facilities belonging to others believe that the property owner's insurance will cover them for their activities. This is NOT the case – separate insurance cover must be arranged which covers the group for their own activities. Special consideration needs to be given to any potentially hazardous activities or events where there are large attendances.

Buildings insurance

If you lease a building, check your lease to see if you are responsible for insuring any part of the building. If you own the building, it is good practice to insure it even though you do not by law have to insure buildings. However, there is a general duty under charity law to protect a charity's assets, so a committee that left a building uninsured would be negligent in

its duty to the charity if it left its building uninsured. If a loan or mortgage is secured on the building, the lender will usually insist the building is insured.

The policy should cover the cost of rebuilding the premises if completely destroyed, professional and other fees plus the cost of temporary accommodation during the re-build. You could also think about business interruption insurance.

Road traffic insurances

If you own and use a vehicle on the road, you must insure all drivers against third party risks as a minimum - injury or death caused to other people including passengers and damage caused to other people's property. Third party insurance does not cover theft or damage to the vehicle so you should seriously think about third party, fire and theft or fully comprehensive. You must also make sure that any vehicle owned and used by employees or volunteers for work purposes are adequately covered.

Affordable Insurance for Supplementary Schools

There are a number of companies out there offering good deals on insurance. You could check those below to see who can offer the best deal. Remember cheaper insurance may mean is less covered.

Zurich Insurance

The Grange,
Bishops Cleeve,
Cheltenham GL52 8XX

Website: www.zurich.co.uk

Morton Michel

Alhambra House
9 St Michaels Road
Croydon
Surrey. CR9 3DD
Tel: 020 8603 0945

group@mortonmichel.com

Website: www.mortonmichel.com/groups

Morton Michel are offering a discount on insurance policies for NRCSE members with further discount for evidence of valid Quality Assurance. Let them know the date of your award when you call.

aQmen Insurance

Manor House,
19 Church Street
Leatherhead, Surrey,
KT21 2TS
Tel: 0333 800 9838

Website:

www.aqmen.co.uk/insurance/charity

The CaSE Insurance policy has been developed especially for Voluntary and Community Sector Organisations.

Keegan & Pennykid (Insurance Brokers) Ltd, have a range of voluntary sector insurance.

Tel: 0800 731 8030 or email:

mail@keegan-pennykid.com

Website: www.keegan-pennykid.com

General Points to Consider

- Fill out forms with due care - any organisation seeking insurance cover has a duty of "utmost good faith" to the insurance company. This means disclosing all the relevant facts.
- Failure to do so may render the insurance invalid, and the insurer could refuse to pay out.
- Always read the small print - make sure you fully understand all the policies. Keep all insurance documents in the same, accessible place.
- Make sure that you have the right amount of cover for your organisation's needs. If the organisation is underinsured, the insurance company may make no payment against any claim made.
- Check and revalue your property annually - give one member of staff or one management committee member responsibility for all insurance matters.
- Shop around to get the best deal - obtain more than one quotation.
- Talk to other voluntary organisations to see what cover they have.
- Use an insurance broker - an insurance broker may not cost more than going direct to an insurance company and will be able to shop around on your behalf.