

## What you need to know about insurance as a voluntary and community organisation

**Please Note: This information is for guidance and is not a statement of the law. It is intended to offer assistance and provide information where appropriate and Community Southwark is not liable for action taken, or not taken, as a result of reading this briefing.**



As part of your duty to protect the assets and resources of your charity, trustees should discuss what insurance they legally need and what may be prudent to get.

It is important to look at insurance in line with risk management in your organisation, only getting the appropriate insurance.

### What the Charity Commission says

The Charity Commission advice on insurance (CC49) provides detailed guidance on why insurance is necessary and common types of insurance for charities. For more information, see <http://www.charitycommission.gov.uk/media/94227/cc49text.pdf>

### Recommendations from NCVO<sup>1</sup>

Trustees have a duty to safeguard the assets of the charity and **should take out insurance to protect the full value of such assets**. Trustees can be liable<sup>2</sup> for any uninsured loss.

Before you make a decision about what insurance to purchase, you should be aware of all significant risks to your organisation.

### Mandatory insurances

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

These are:

- **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.
- **Motor insurance** - Third party insurance for vehicles kept on the road

### Recommended insurances

In addition to the mandatory insurance, trustees (or a designated staff member) should consider the following:

<sup>1</sup> Extract from NCVO "What insurance does the organisation need?"

<sup>2</sup> For more information on Trustee Liability, see Community Southwark Fact Sheet 'Trustee Liability' <http://communitysouthwark.org.uk/wp-content/uploads/2014/02/Trustee-Liability.pdf>

- **Indemnity Insurance for trustees** - indemnity insurance protects the trustees from claims made against them (for example, if the charity was to cease operations and there were debts outstanding).
- **Contents Insurance** - this normally covers everything that would fall out of your building if you shook it upside down!
- **Public Liability** Cover against claims by third parties - this is insurance that protects the organisation against claims involving illness, injury or death, or damage to property caused by the neglect of the organisation or someone working for it.
- **Buildings insurance**

## Optional insurances

Trustees can also consider other forms of insurance but the Charity Commission advises that they should only do so where:

- The circumstances of the charity make it necessary or prudent
- The charity can afford the premiums without affecting the pursuit of its objects
- The trustees are advised (by their legal or other independent professional advisers) to have such insurance

## Other insurances may include

- Fraud and dishonesty of employees
- Fundraising (for example, covering an event against bad weather)
- Legal expenses (covering costs of a solicitor or court action - usually includes free advice from a Helpline)
- Loss of revenue or increased cost of working
- Personal accident or assault
- Professional indemnity insurance - this insurance is useful if the community or voluntary organisation is providing advice services and there is a claim against the organisation for giving wrong advice. Higher risk areas might include advice on insurance, ICT or financial debt. If an organisation is offering advice that has a financial implication then it should consider this insurance.
- Staff Sickness

Finally it is important to recognise that insurance is an important part of a risk management strategy but does not replace it. Often insurance premiums can be reduced if the organisation demonstrates that it regularly assesses reviews and monitors risk.

## Insurance companies\*

- **CaSE Insurance:** [www.caseinsurance.co.uk/select](http://www.caseinsurance.co.uk/select) or call 0845 225 2288  
CaSE Insurance\* recognises that smaller organisations can often suffer from a lack of appropriate cover because they don't have the expertise and confidence in understanding their liabilities, and they can also find it difficult to get relevant cover to protect their organisation.

CaSE has developed [CaSE Select](#), a new, **flexible insurance product**, accessed online, for voluntary organisations with an income up to £250,000 a year. The basic policy, 'Select Liability', gives you Employer, Public and Product Liability cover. If your organisation needs a broader range of cover there are three other insurance packages with additional cover options including contents, tenants improvements, computers, business interruption – additional expenditure and money and pa assault.

- **Zurich:** [http://www.zurich.co.uk/home/charityandcommunity/introduction\\_product.htm](http://www.zurich.co.uk/home/charityandcommunity/introduction_product.htm)

Zurich offers 'cheaper' public liability insurance to small community groups. Offer developed with local umbrella body Navca. Financial services provider [Zurich](#) has launched a scheme offering public liability insurance to small voluntary organisations and community groups for less than £10 a month or £75 a year. Zurich said the policy would enable groups to purchase comprehensive public liability cover for a range of activities covering claims and losses of up to £10m. The offer was developed in collaboration with local umbrella body [Navca](#) and is delivered by [Tennyson Insurance](#). <http://www.tennysoninsurance.co.uk>

- **Unity Insurance services:** <http://www.unityinsuranceservices.co.uk/>

Unity Insurance Services offers insurance solutions for organisations ranging from charities undertaking activities in far flung international regions with complex operations through to small community, voluntary and youth groups such as Scouts and Guides and everything in between.

- Insurance Services is an independent specialist charity insurance broker who is also owned by a charity.
- Providing insurance services for the UK charity, voluntary and not-for-profit sector.
- Delivered by people with a charity background and who understand how charities operate.
- They donate 100% of our profits back to charity.
- Over 80 years' experience looking after the insurance needs of charities and voluntary groups.

- **British Insurance Brokers' Association (BIBA):** [www.biba.org.uk](http://www.biba.org.uk)

The British Insurance Brokers' Association (BIBA) is a general insurance organisation representing the interests of insurance brokers, intermediaries and their customers. Their website enables the general public to search for an insurance broker that is a BIBA member by location and/or by insurance type.

- **Ecclesiastical:**

<http://www.ecclesiastical.com/fororganisations/insurance/charityinsurance/index.aspx>

Ecclesiastical provide insurance generally but have a specific charity area, providing insurance for charities, not-for-profit organisations, community interest companies and social enterprises. As well as specialist covers, their charity insurance gives you expert [guidance, advice and support](#) designed especially for charities, including risk management guidance notes and a free valuation service.

- **UK Fundraising:** <http://www.fundraising.co.uk/classifieds/public-liability-insurance-charity>

A search facility for classified ads, including various charity insurance companies.

- **Access Insurance:** <http://www.accessunderwriting.co.uk/>

Access Insurance provides insurance broking and underwriting facilities in specialist areas. This includes negotiating member benefit insurances for umbrella groups, institutes and other representational or member organisations. They are Independent specialists in meeting the insurance needs of both small and large Charities, not for profit groups and Churches in the UK.

\*Please note that this is not a full list of companies nor does Community Southwark recommend any of these in particular. It is up to your organisation to research and find the right insurance for your organisation.

## Support

If you would like any support with this or any other issues facing your organisation, please contact the Development Team at Community Southwark: [development@communitysouthwark.org.uk](mailto:development@communitysouthwark.org.uk) or **020 7358 7020**.