



# T3SC Factsheet 21

## insurance

There are so many different kinds of insurance available these days that it might be easy to get carried away with the idea of insuring your organisation against every conceivable risk. However it can be difficult to know what is actually necessary and appropriate for the needs of your organisation and what is not necessary or, as can sometimes be the case, not allowed.

There are a few basic types of insurance that the majority of groups will usually need to have. There is then a further group of insurances, which, due to the size or the specific activities of a group may be necessary. We have only picked out the more commonly needed insurances here, if you've got any questions about your groups activities and insurance then get in touch with T3SC. Please remember that the following information is simply a set of guidelines for you and there are laws governing certain aspects of insurance provision.

### Questions you need to ask before getting insurance:

- Is it necessary?
- Is it a legal requirement?
- Do you regularly/have you recently reviewed your organisation's insurance requirements
- Is it worth it?
- On balance are the factors in favour of getting insurance more important than the cost to the organisation?
- Have you researched the range of policies available in terms of cost/cover/value
- Have you recently taken on any new activities or made changes within your organisation?

**Important!** Always be honest with your insurance provider and make sure they know all about your organisations activities and structure otherwise your policy may be invalid and therefore useless.

### Types of insurance

There is a wide range of different types of insurance available for different needs. Some of these are more common than others, some will be compulsory or necessary for many groups, and others may just be useful or put Management Committee minds at rest.

#### Public Liability Insurance

This type of insurance covers injury, loss or damage, caused to anyone as a result of your organisation's negligence (or breach of a legal duty) and covers people using your organisation's premises or services. If you have premises that are visited or used by members of the public or by volunteers, then you are strongly encouraged (though there is no legal requirement) to have this insurance. When taking out public liability insurance you should make sure that the policy covers staff members, volunteers, committee, members and visitors to your premises.

#### Trustee Indemnity Insurance

This type of insurance is entirely optional. It covers the potential liabilities of Trustees and Directors of voluntary and charitable organisations. However, it should be taken out with caution, if at all. It can not cover against all liabilities and your constitution may not allow for it.

### **Buildings Insurance**

If you occupy any premises at all then you are required to have this cover by law. It covers the fabric and structures of any building that your organisation might rent or own. If you rent premises, then you need to check the terms of your lease to see whether its the responsibility of your organisation or your landlord to take out buildings insurance. If you own the property then you are responsible for taking out adequate buildings insurance. If a landlord owns the property then it will usually be their responsibility to ensure that the building is properly insured. It may be a good idea if you are a tenant and your landlord is responsible for the insurance cover for you to take out insurance against any associated losses that you may face as a result of damage to the buildings.

### **Contents Insurance**

It is very important if your organisation owns or hires any property (e.g. equipment etc) that is kept at your premises, to make sure that you have adequate contents insurance. There are different types of policy and you can get limited policies that will only cover certain circumstances. However it is usually a good idea to ensure that you are covered for all risks including accidental damage to equipment. You may also be able to extend the policy to cover property of the organisation that is taken off the premises on business, for example if you do outreach or use laptop computers.

### **Employers Liability Insurance**

This is a legal requirement. Any organisation employing staff must have and display in the workplace a certificate of employers liability insurance. It covers the organisation against any claims by workers for injury or disease. (Worker is defined as anyone who has a contract or apprenticeship whether that is written, oral or implied). It does not usually cover volunteers, visitors, management committee or self employed people working for the organisation (Though you can get policies that do specifically cover voluntary workers in the organisation as well as paid staff). For this reason you should also check carefully whether or not you need public or professional Liability Insurances.

### **Vehicle Insurance**

If your organisation either has its own vehicles or its staff or volunteers use their own vehicles when carrying out the business of the group then you have a legal duty to take out this type of insurance. If the vehicles are the group's own, then you are legally required to have third party cover for all vehicles/drivers and third party, fire and theft or comprehensive insurance would be advisable. If the vehicles are the staff/volunteer's own, then it is good practice for your organisation to make certain that they have insured their vehicles.

### **Professional Liability Insurance**

If your organisation offers an advisory service to members of the public then you may take out Professional Liability Insurance (even if the service that you offer is free). This covers staff members or volunteers who give out advice, should that advice be incorrect and lead to loss, injury etc.

### **Event Insurance**

As an organisation you may from time to time hold specific events and if these events are large scale, involve fundraising or a large outlay of money for your group it is possible that you will be able to take out insurance for your event. If you are planning a big event then it is probably best to consider the specific activities on a case by case basis.

**for more info please contact T3SC**  
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