

BRIEFCASE

What Insurance is Legally Required?

In certain circumstances, there are some insurances which your charity, social enterprise or faith-based organisation must have – they needn't be expensive, but they are required by law.

Employers' Liability

If you have staff that work for you full or part time, then you must have Employers' Liability.

Make sure that your insurer knows you want your volunteers to be covered by your Employers' Liability insurance (if that is the case), and that staff and volunteers are covered for working away from the office. Ensure that you are clear with insurers about higher-risk activities such as manual or lifting work, work at heights, work using machinery, exposure to unpredictable service users, lone working and working overseas.

The Charity Commission advise you to treat your volunteers in the same way as your employees and, in addition to providing adequate training, supervision and support, to ensure volunteers are covered by your insurance. Volunteers should be specifically referred to under either your Employers' or Public Liability insurance and your insurer should be made aware of your volunteers. Having volunteers insured as employees under your Employers' Liability can provide better cover in the case of injury, as there is a lower threshold for negligence with against Employers' Liability rather than Public Liability.

A specialist charity insurance policy may automatically include cover for your volunteers as if they were employees, rather than as third parties.

You can reduce the cost of Employers' Liability premiums by exercising diligent and effective risk management.

Motor Insurance

If you own vehicles for road use, legally you must insure them as a minimum for Road Traffic Act (RTA) liability in case a third party is injured or third-party property is damaged. Typically, of course, you will also want to cover loss or damage to the vehicle itself.

If you regularly hire cars rather than own them, you may find that it is more economical for you to arrange a block policy than to rely on the hirer's provision of insurance. You may also be able to negotiate a lower excess. If your staff or volunteers use their own vehicles for 'business purposes', for example to attend meetings, transport goods for you or to drive your service users, then you must ensure that they have declared this to their insurers and keep

evidence of this on your records. Be aware that, in the event of injury or accident, they may be liable to pay an excess under their policy or lose some or all of their no claims bonus.

If you own or use, or let out, any mobile equipment which may be used either on the road or other public spaces, you should seek advice as to whether these are subject to the RTA and arrange for your liability insurance to provide cover in the event that injury or damage is caused to third parties. Finally, bear in mind you are required to make sure that:

- your drivers have a valid driving licence and appropriate insurance (and have told their insurer they are using the vehicle for work)
- their vehicle is taxed and has a valid MOT
- vehicles are in a roadworthy condition
- suitable driver training is provided, especially for any specialist vehicles.

You should keep records of this and have an annual review process.

Engineering & Inspection

If you own or are responsible for plant or equipment – lifts, hoists and boilers, for example, and mobile items such as fork-lift trucks – you may be required to meet a prescribed maintenance and inspection regime.

This is often done in tandem with insurance which will provide both the mandatory inspection service and insurance against mechanical breakdown, loss or damage.

Legally Required Insurance KC21.100

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