

Types of Insurance Policy: which cover volunteers?

All volunteer-involving organisations should have an insurance policy that covers volunteers. There are several different types of policy, so it is often confusing to work out which is the most appropriate. Basically, volunteers should be covered either under employer's liability insurance or public liability insurance and, depending on the type of work involved, the organisation may need professional indemnity insurance as well. Policies should explicitly mention volunteers because they may not automatically be covered. Insurance companies should also be aware of the types of work that volunteers are doing, because if the tasks are high-risk then the insurance policies may have to be changed to accommodate these risks.

Employer's Liability Insurance

Covers paid employees in the event of accident, disease or injury caused or made worse as a result of work or of employer's negligence. This insurance does not automatically cover volunteers. There is no obligation to extend the policy to cover volunteers, but it is good practice to do so. The policy must explicitly mention volunteers if they are to be covered by it.

Public Liability Insurance

Should always explicitly mention volunteers. Also known as third party insurance, it protects the organisation for claims by members of the public for death, illness, loss, injury, or accident caused by the negligence of the organisation. Public liability insurance generally covers anybody other than employees who come into contact with the organisation. This should include volunteers, covering them against loss or injury caused by negligence of the organisation if they are not covered under the employer's liability insurance. It also protects for loss or damage to property caused through the negligence of someone acting with the authority of the organisation, which would include the actions of volunteers.

Public liability cover should clearly cover loss or injury caused by volunteers. In some cases a volunteer could be sued as an individual for damage caused to a third party, so the organisation's public liability insurance should indemnify them against this.

Professional Liability

Professional liability, professional indemnity errors and omissions or malpractice insurance covers the organisation for claims arising from loss or injury caused by services provided negligently or without reasonable care. Such loss might arise, for example, from incorrect care or inaccurate advice. An organisation can be sued for claims arising from incorrect advice or information even if it is given free or via a telephone helpline. Professional liability insurance should also cover defamation, inadvertent breach of copyright, confidentiality and loss of documents.

The current insurance climate

Recently many organisations involving volunteers have reported high rises in their insurance premiums. Some have been unable to cover their activities at all. The problems are due to severe difficulties in the insurance market. The industry cites September 11th, large payouts due to extreme weather events, a number of mergers and an increasingly litigious culture as contributing factors, and are at pains to deny that the voluntary sector is being singled out, with the private sector facing similar premium increases.

It's hard to see how the above factors can easily be resolved, which leaves voluntary groups in a difficult position. However there are some steps they can take to ensure that their operations are not seen as high risk by their insurers. Some insurance brokers have suggested that many insurance companies view the voluntary sector as 'amateur' or 'unprofessional'. Therefore groups should provide their insurance company with as much information about their activities as possible. Let them know everything volunteers are expected to do, and the safeguards you have put in place to ensure this involvement is carried out safely, from recruitment through training to ongoing supervision. Make it clear that you

have full and proper health and safety and other appropriate policies and procedures in place - child protection, for example.

Demonstrate that you have carried out risk assessments – and acted upon them. This means detailing all potential hazards, the level of risk involved, and the steps taken to lower that risk, whether it be through information, training, safety equipment or physically removing or altering the potential hazard. Please contact the information service for more information on risk assessments.

Further Information

The following booklet is available:

Insurance guide for voluntary organisations, published by the National Council for Voluntary Organisations (Tel: 01536-399016, for ordering publications), 42 pages A4 size, price £6.

Insurance policies

The following insurance brokers have particular experience of insurance for voluntary sector organisations. These are the ones that we have come across, but if you have experience of working with an insurer who you have felt offered a really good service, please let the information service at the National Centre for Volunteering know so that we can add them to the list.

Aon Risk Services, Trinity Court, 2/4 West Street, Fareham, Hants, PO16 0BH.

Tel: 08457-697504

Different amounts are paid out for different ages. There is an age limit of 12 to 80 for personal accident. Personal Accident cover does not cover 12-13 year olds or 75-80 year olds for temporary disablement. There is no age limit for public liability or employer's liability.

Ladbrook, Freepost NEA9003, Sheffield, S25 3ZZ. Tel 01909 565858

No limit on public liability. Generally no limit on employer's liability but, depending on the type of work, a limit may be placed of only covering people up to 70 years old. Personal accident has an age limit of 16-70 that may be extended to 75 in certain circumstances.

Stuart Alexander, 10 Philpot Lane, London, EC3M 8AB. Tel: 020 7335 1646.

There is no age limit for employer's liability and public liability. For personal accident there is no lower age limit, but there is an upper age limit of 75.

The Encompass Policy.

Keegan and Pennykid Insurance Brokers, 50 Queen Street, Edinburgh, EH2 3NS.

Freephone 0800 731 8030. Freefax 0800 731 8448. Email: mail@keegan-pennykid.com

This was launched in April 2001 by the National Council for Voluntary Organisations in conjunction with Keegan and Pennykid Insurance Brokers and Royal & Sun Alliance. It offers: volunteer insurance, Employers and Public Liability, Professional Indemnity cover, Trustees Liability insurance. Also legal expenses cover and office insurance for contents and buildings and charity shop insurance for stock, contents and buildings. There is no age limit for employer's liability or public liability. The main age limits for personal accident are 16 and 80. Under-16s are covered for death only.