

Insurance Policy Guidance Notes

Introduction

This document provides a basic guide to the different types of insurance policies. There are some insurance policies that are mandatory irrespective of the specific activities of your organisation or how it is constituted.

Mandatory Policies

- **Employer's Liability Insurance** covers the employer against an employee suffering illness, injury or death during the course of their employment and as a result of a breach of a statutory duty (breach of health and safety legislation) or neglect.
- **Motor Insurance** which is for vehicles kept on the road.

Recommended Policies

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

- **Public Liability Insurance** provides cover against any claims by third parties (e.g. residents, service users) where there is a claim involving injury, illness, death, or damage to people or property which have been caused by the neglect by your organisation or someone (e.g. employee or volunteer) working for it.
- **Indemnity Insurance** for Trustees protects your trustees from claims against them (e.g. if your organisation cease to provide services and there are outstanding debts)
- **Contents Insurance** provides cover for everything (property) that your organisation owns and helps to support the delivery of its services.

The Charity Commission provides [advice and guidance on other types of insurance policies](#) that may be relevant to your organisation.

Organisations should consider that insurance is an important component of risk management however it does not replace it. You may find that insurance premiums can be reduced if your organisation actively demonstrates that it regularly assesses, reviews, monitors and works to reduce risks across all of its services and operational procedures.

Further Guidance

The following guidance notes are to help your organisation to know what insurance policy is required when applying to the council for funding to deliver an event / small festival, or contracts an external provider to deliver a physical activity.

Festivals:

If an applicant (e.g. resident or organisation) wants to run an open access community event:

- The applicant (e.g. resident/ organisation) will need to obtain copies of the Public Liability policies of all the providers delivering an activity as part of the event. This is important information to obtain as any claims arising from this provision will need to be referred to the provider organisation.
- If food is provided and sold by a business or commercial provider, they must provide to the applicant the necessary insurance and food hygiene certificates. However, if food is prepared and provided by volunteers as a one-off, non-commercial arrangement, then people who do this do not require such documentation. The distinction is essentially between commercial and non-commercial providers. Again, any claim arising from commercial provision of food will need to be referred to that organisation.

Physical Activities:

If an applicant wants to offer residents opportunities to participate in a physical activity which will be delivered by an external facilitator / provider on their behalf:

- The applicant will need to obtain a copy of the external facilitator's / provider's Public Liability Insurance policy.
- If the applicant has any employees or volunteers supporting the running of the activity, they will need to provide a copy of their Employers' and Public Liability Insurance policy/ies. This is important as the organisation has a duty of care for participants and service users.

Trips/ Excursions:

If an applicant (e.g. resident or community group) wants to offer a trip or excursion that requires hiring a coach or mini bus:

- If the coach company or mini bus company is providing a driver to transport residents, the applicant will need to obtain a copy of the company's insurance policy.
- If the applicant proposes hiring a mini bus or coach separately and to have their own employee or volunteer transport residents, the applicant will need to obtain a copy of the vehicle's insurance policy and proof that the chosen driver has the relevant level of driving licence to transport members of the public.

Local Initiatives Fund requirements

Please note that it is mandatory for Local Initiatives Funding applicants to have public liability insurance in place. The additional public liability insurance policies of providers mentioned above do not need to be submitted for LIF purposes but we recommend that these policies be obtained.