

Making insurance simple

Insight guide for non-profit organisations



Contents

- 04 Introduction.
- 05 Compulsory insurance.
- 06 What types of insurance do you need?
- 07 Do you have employees?
- 08 Do you have volunteers?
- 09 Do you have buildings and contents you want to protect?
- 10 Do you work and communicate with the public and volunteers?
- 12 Does your organisation own or use motor vehicles?
- 13 Why risk management may be essential to your organisation.
- 14 Why choose Zurich?



Introduction

Simple, straightforward insurance is what our valued customers in non-profit organisations have been asking for. This new guide is one way we thought we could help make things easier by providing a simple way of explaining the types of insurance cover you might need.

At Zurich, we know that your first priority is the individuals and community groups you support. We understand that you want easy, straightforward insurance cover to help you deliver on this. This is why Zurich has developed this guide, to provide a simple way of showing the insurance cover you might need.

With many years' experience of working with organisations like yours, we understand the challenges you face. We offer comprehensive, specialist insurance cover, and practical risk management solutions to help you be able to provide for your service users.

I welcome any feedback around this guide or any other comments you may have. I am always looking for ways to improve and develop our products, to make sure that Zurich are providing the best service for our customers.



Amy Brettell

Head of Charities and Social Organisations

Compulsory insurance

When organising insurance for your non-profit organisation it is important to firstly consider what insurance is compulsory.

As a non-profit organisation, you are required under government legislation to have Employer's Liability and Motor insurance if you have any employees or motor vehicles.

Compulsory cover

- **Employer's Liability** – provides compensation for your employees if they are injured through work in the course of their employment where you are found to be legally liable.
- **Motor insurance** – has a number of options that you can choose for your vehicle, with the minimum requirement covering you for third party property and third party bodily injury or death all the way up to comprehensive cover.

As well as the compulsory cover, the majority of our customers also choose to take out Public Liability, Material Damage and 'All Risks' cover.

Additional cover

- **Public Liability** – provides cover for damage to third-party property and compensation for accidental injury to third parties (including volunteers) where you are found to be legally liable.
- **Material Damage** – protects your building and/or contents from loss or damage should you suffer a loss from an insured risk.
- **'All Risks' cover** – can be added to Material Damage insurance to protect portable items such as laptops and cameras. The cover is not restricted to the premises and covers you for all loss or damage, with the exception of certain exclusions common to all insurance policies.

If you have a board of trustees, committee members or directors you may also consider taking Trustee and Trust Fund Indemnity insurance. Trustee and Trust Fund Indemnity insurance protects you if your board members are alleged to have acted wrongly in their duty towards your organisation or a breach in trust in accordance with your governing body.



What types of insurance do you need?

By asking five simple questions, we can give you a brief overview of the main types of insurance you may want to consider.

1 Do you have employees?

In this section we've outlined key features of Employers' Liability insurance, Employee Dishonesty insurance, Money insurance, Legal Expenses insurance and Personal Accident insurance.

2 Do you have volunteers?

In this section we've outlined key features for the main types of cover you might need including Public Liability, Personal Accident and Money.

3 Do you have property and contents you want to protect?

In this section we've covered key features of Material Damage insurance, Business Interruption insurance, Engineering insurance, Terrorism insurance and Deterioration of Stock insurance.

4 Do you work and communicate with the public and volunteers?

In this section we cover key features for Trustee and Trust Fund Liability insurance, Professional Negligence insurance, Hirers' Liability insurance and Libel and Slander insurance.

5 Does your organisation own and use motor vehicles?

In this section we cover key features for Motor insurance.



1 Do you have employees?

If you employ people, you are required by law to have **Employers' Liability insurance**. The section below details the key features of **Employers' Liability** cover and provides an overview of other types of insurance that might be relevant to your organisation.

Employers' Liability

Employers' Liability insurance provides compensation for your employees if they are injured through work where you are found to be legally liable. This is a legal requirement for anyone employed under a contract of service.

Cover includes:

- Damages and legal costs if an employee is injured or dies up to the amount of cover that's been agreed.
- A minimum level of cover of £10,000,000.
- Compensation for court attendance as a witness in connection with a claim under this policy.
- People on work experience with your organisation.
- Terrorism up to £5,000,000 covering injuries to employees that occur as a result of a terrorist act where you are found to be legally liable.

Employee Dishonesty

If your employees or volunteers work closely with the organisation's money or stock, you could also choose to take **Employee Dishonesty** insurance. **Employee Dishonesty** insurance covers your organisation's money and property against theft by your employees or volunteers during the course of their work (limited to £5,000 for volunteers). As well as covering the value of the loss, it also covers investigation costs and expenses incurred in proving the loss, up to a maximum of 10% of the claim. This 10% is over and above the limit of cover on your policy. You can request higher limits of cover for key personnel who deal with money on a daily basis e.g. Finance Directors.

Money

If your employees handle money at work, take money to the bank and/or if you have an overnight safe on your premises, you may consider taking **Money** insurance.

Cover includes:

- Any loss of notes, coins, bills of exchange, luncheon vouchers, uncrossed cheques, Giro cheques, postal orders or postage stamps, belonging to you or for which you have responsibility.

- Up to £1,500 for damage to personal effects following a robbery.
- Replacement cost of franking machines, safes, strongrooms or security cases damaged as a result of a robbery.
- Up to £1,000 to replace safe or strongroom locks made necessary by theft of keys (except where the keys have been left in a closed building).
- Personal accident cover for people assaulted while entrusted with money.

Legal Expenses

If you want cover for legal costs that may arise from legal disputes, you can consider **Legal Expenses** insurance.

Legal Expenses insurance covers:

- Employment practises including employment compensation awards.
- Legal defence costs.
- Property protection, bodily injury.
- Tax protection including investigations by the Inland Revenue.

You can also extend the cover to include:

- Contract disputes.
- Debt recovery.
- Statutory licence protection where there is a threat of a licence being altered or revoked (for example drink, gaming machines or entertainment).

Personal Accident

You may want to consider taking **Personal Accident** insurance. This provides compensation if your employees are injured or assaulted while working for you and normally covers:

- Accidents and assault or just assault.
- Official duties in connection with the business or organisation, including commuting.

2 Do you have volunteers?

If you work with volunteers the main types of cover you should consider are:

Public Liability

Public Liability insurance covers accidental damage to third party property and compensation for accidental injury to third parties where you are found to be legally liable. The Limit of Indemnity will be at least £2,000,000 and includes:

- Legal costs.
- Cover for volunteers.
- Temporary visits abroad.
- Costs incurred in defending any prosecution under the Data Protection Act 1998 – fines, penalties and the cost of changing data are excluded.
- Contingent motor liability to cover the organisation against third party claims.
- Costs incurred in defending any prosecution under the Defective Premises Act 1972.
- Compensation for court attendance by directors, employees or volunteers as a witness in connection with a claim under this cover.
- Costs incurred to defend any criminal proceedings relating to a breach of Part II of the Consumer Protection Act 1987.
- Costs incurred in defending prosecutions under the Health and Safety at Work Act.
- Financial loss suffered by a third party as a result of a negligent or accidental error committed by an employee or volunteer.
- Products liability.
- Terrorism up to £5,000,000 (or Policy Limit of Indemnity if lower) providing cover for injuries to third parties or damage to property incurred as a result of a terrorist act where you are found to be legally liable.

Personal Accident

Personal Accident provides compensation if a volunteer is injured or assaulted while working for you.

This insurance normally covers:

- Accidents and assault or just assault.
- Official duties in connection with the business or organisation, including commuting.



Money

Money cover is useful if your volunteers handle money at work, take money to the bank and/or if you have an overnight safe on your premises.

This cover includes:

- Any loss of notes, coins, bills of exchange, luncheon vouchers, uncrossed cheques, Giro cheques, postal orders or postage stamps, belonging to you or for which you have responsibility.
- Up to £1,500 for damage to personal effects following a robbery.
- Replacement cost of franking machines, safes, strong rooms or security cases damaged as a result of a robbery.
- Up to £1,000 to replace safe or strongroom locks made necessary by theft of keys (except where the keys have been left on premises closed for business purposes).
- Personal accident cover for people assaulted while entrusted with money.

3 Do you have buildings and contents you want to protect?

If you have offices, shops and warehouses you can cover the buildings and contents with a Material Damage policy. The policy will cover damage to buildings and/or contents for repair or reinstatement and includes:

- 'New for old' reinstatement cover.
- Architects, surveyors, and legal fees.
- Removal of debris (site clearance).
- Newly acquired items/alterations to existing items up to £100,000.
- Computer system records up to £10,000.
- Personal effects of any director, employee, volunteer or visitor up to £1,500 per person provided they are not insured elsewhere.
- The amount you are covered for increases each year automatically in line with buildings inflation.
- Up to £500 for replacement of locks following theft of keys.

'All Risks'

If 'All Risks' insurance is not already included in the policy you prefer, then it can be added to **Material Damage** insurance to protect either all or specified items e.g. laptops against loss or damage. This insurance operates anywhere in Great Britain, Northern Ireland, Isle of Man and the Channel Islands. The cover is not restricted to the premises, it also includes:

- Items in the open or portable items, for example laptops and cameras.
- 'New for old' (reinstatement) cover.
- Theft and accidental damage.

Business Interruption

As well as protecting your property and contents, you can also protect against additional costs or loss of income that can occur as a result of insured damage to buildings and contents with **Business Interruption** insurance.

For example:

- Additional expenses, such as hiring alternative premises.
- Loss of revenue, for example revenue from sales or rent from premises leased out.
- Accountants' charges necessary to quantify a loss.
- Loss of income due to the death or disgrace of a Patron.
- Additional costs or loss of income following insured damage to a nearby property, resulting in denial of access, or to a public utility.

Engineering

In addition to material damage we can cover damage to equipment such as hot water boilers, air-conditioning units or lifts that require regular inspections with our **Engineering** insurance.

This insurance covers:

- Damage to the equipment and own surrounding property up to £500,000.
- Reasonable additional costs necessary up to £5,000 to carry out temporary repairs.
- The cost of removing debris.

Terrorism

If you are concerned about the threat of a terrorist act you can take out **Terrorism** insurance. This protects against loss or damage to property caused by acts of terrorism including biological, chemical or nuclear devices.

- Cover is available for properties in England, Scotland and Wales (a government indemnity applies in Northern Ireland).
- Cover is also available for properties in the Channel Islands and the Isle of Man – but is restricted to £5,000,000.

Deterioration of Stock

If you have stock in kitchens or shops that requires refrigeration you can consider **Deterioration of Stock** insurance cover.

This includes:

- Damage to the contents of a refrigerator or cold chamber due to their failure or breakdown.
- Reasonable costs incurred to avoid further damage or obtaining a condemnation certificate.
- Loss or damage caused by refrigerant fumes.

4 Do you work and communicate with the public and volunteers?

If you are in contact with the public, volunteers or people from outside the organisation you can cover against accidental damage to third party property and compensation for accidental injury to third parties, where you are found to be legally liable, with Public Liability insurance.

This is a core insurance product with a minimum level of cover of £2,000,000 and includes:

- Legal costs.
- Cover for volunteers.
- Temporary visits abroad.
- Costs incurred in defending any prosecution under the Data Protection Act 1998 – fines, penalties and the cost of changing data are excluded.
- Contingent motor liability to cover the organisation against third party claims.
- Costs incurred in defending any prosecution under the Defective Premises Act 1972.
- Compensation for court attendance by directors, employees, trustees or volunteers as a witness in connection with a claim under this cover.
- Costs incurred to defend any criminal proceedings relating to a breach of Part II of the Consumer Protection Act 1987.
- Financial loss suffered by a third party as a result of a negligent or accidental error committed by an employee or volunteer.
- Products liability.
- Costs incurred in defending prosecutions under the Health and Safety at Work Act.
- Terrorism up to £5,000,000 (or policy Limit of Indemnity if lower) providing cover for injuries to third parties or damage to property incurred as a result of a terrorist act where you are found to be legally liable.

Trustee and Trust Fund Indemnity Insurance

If you have a board of trustees, committee members or directors you can consider taking Trustee and Trust Fund Indemnity insurance. **Trustee and Trust Fund Indemnity** insurance offers personal indemnity to your board members if it is alleged that they have acted wrongly in their duty towards your organisation or if there is a breach of trust in accordance with your governing document (constitution).





This insurance covers:

- Damages and claimants' costs.
- Defence costs.

Professional Negligence

If you provide professional services to third parties which involve advice, design or specification you may wish to consider **Professional Negligence** insurance. If an employee, in their professional capacity, makes an error or omission that results in a third party suffering a loss, this insurance will cover that loss.

Hirers' Liability

If you hire your premises to individuals or groups you could consider offering them **Hirers' Liability** insurance cover.

This provides the hirer with cover against accidental damage to third party property and compensation for accidental injury to third parties up to a limit of £2,000,000 although this can be increased to £5,000,000. Cover also includes liability for accidental damage to the hired property up to a limit of £1,000,000.

Cover does not apply to business or political hirings.

Libel and Slander

You may also consider **Libel and Slander** cover. This covers compensation sought by a third party where you have to pay damages for libel (written) or slander (spoken) in the course of your business.

It covers:

- Employees, committee members, trustees or directors.
- Claims made during the policy period or notified within 12 months of cover expiring.

5 Does your organisation own or use motor vehicles?

Motor insurance is a legal requirement for motor vehicles owned or leased by you or hired to others. A typical policy covers:

- Cover for claims from third parties for personal injury or loss or damage to their property.
- Cover for loss or damage to your vehicles.
- Authorised business use and social domestic and pleasure use.
- Passenger liability.
- Automatic cover while travelling in or through the European Union.
- Legal expenses and motor uninsured loss recovery service following a claim up to £100,000.
- Personal effects up to £150.
- Medical expenses up to £250 per person as a result of an accident.
- Up to £500 for replacement locks following theft of keys.
- Terrorism up to £5,000,000.

It can also provide cover for:

- The cost of hiring a vehicle whilst yours is off the road following an accident.
- Protection for loss of No Claims Discount or excess for directors, employees, trustees or volunteers.
- Occasional business use for directors, employees, trustees or volunteers.
- Trailers while attached to or detached from an insured vehicle.



Why risk management may be essential to your organisation

We all live with risk. It is an everyday fact of life.

You can't avoid it altogether, but you can take action to minimise the risks that you, your staff, your volunteers and the public are exposed to.

Managing your risks can help to create a safer and more efficient working environment within your organisation. It will also help you meet your legal duties to comply with the law.

If you'd like to know more about risk management or you're simply not sure what to do or what benefits it could offer you as an organisation, let us give you the support you need.

We can demonstrate a simple, effective and practical process that will help you manage risk by developing ways to identify and assess what could go wrong, and consider how best to reduce or even eliminate risks, as well as protect you against serious financial consequences if the unexpected does happen.

We can also give you some tips on setting up a risk management group.



For more information about risk management or to receive a copy of our 'Making risk management simple' guide, call us today on **0800 232 1901**, email **community@zurichmunicipal.com** or get in touch with your broker.

Why choose Zurich?

When it comes to selecting the right insurance, you require a provider with the strength, size and experience necessary to support you. At Zurich, we have insured non-profit organisations for many years and currently work with more than 16,000 charitable and voluntary organisations.

What's more, as a leading employers' and public liability insurer, we have the products and expertise to cover a wide range of risks, including health and safety, event management and partnership working.

Naturally, you also need a provider that makes it easy to choose and benefit from your insurance. That's why our services include direct access to experts and underwriters, insurance tailored to your individual needs, advice that helps reduce your claims and costs, and a fast, simple claims procedure.

After all, as an organisation committed to helping others, you deserve an offering equally committed to supporting you.



Next steps

This guide is a brief overview of the types of cover you might need.

Our experts are happy to discuss your requirements in more detail with you or your appointed insurance broker to build a comprehensive package of cover tailored to your needs.

If you wish to obtain a quote from us directly, you will need to have the following information to hand:

- Your organisation's full contact details.
- Your charity's full property details.
- A full description of the activities your charity carries out.
- Your charity's history and plans for future developments.
- Number of volunteers, time spent and range of activities.
- Estimated wage roll for the current year including casual staff.
- Details of any risk improvements carried out.
- Details of any incidents, whether they have given rise to a claim or not, in the past 5 years.

There are a number of ways to contact us:

Telephone: **0800 232 1901**

Email: **community@zurichmunicipal.com**

Website: **www.zurich.co.uk**

Alternatively, get in touch with your broker. We'll work together to ensure you obtain the best policy to satisfy your requirements.

Zurich Insurance plc

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Communications may be monitored or recorded to improve our service and for security and regulatory purposes.

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