

Insurance overview

Guidance

Insurance overview

Insurance is designed to mitigate against financial loss or claims for compensation and, in most cases, the requirement will depend on what services are being provided, how the organisation is structured, the assets it owns or operates and its appetite to financial risk.

The [Association of British Insurers](#) provides detailed advice on different types of cover for businesses and the [Charity Commission](#) provides similar guidance for charities. Youth work organisations must ensure they purchase the correct insurance products for the organisation and should seek specialist insurance advice such as from a reputable insurance broker if they are unclear. Individual workers are unlikely to need insurance for themselves as individuals but this can sometimes be necessary for the self-employed or more specialised professions where membership bodies require this.

Insurance policies will normally have a limit of cover i.e. the maximum amount that can be paid out in one year or per claim and youth work organisations must ensure that this is sufficient to cover their risk. Some contracts or sponsoring bodies commissioning youth work may specify minimum levels and seek evidence of this. Such evidence is normally shown on a certificate issued by the insurer. Insurance policies often contain certain conditions or exclusions and youth work organisations should ensure that they understand these clearly. Like personal motor or home insurance, there can be an excess i.e. an amount of money that the organisation would pay towards the total insurance claim.

This section outlines some of the most likely insurance products that youth work organisations may need. Sometimes multiple insurance products can be combined into one 'business insurance' package.

Employers' liability insurance

Youth work organisations who are employers are legally required under the [Employers' Liability \(Compulsory Insurance\) Act 1969](#) to hold a minimum level of insurance cover to insure against the liability for injury or disease associated with work. Employers' liability insurance is also required where individuals might not be considered members of staff by the organisation such as seasonal workers where a 'contract of service' is in place - this may also include volunteers. Employers must display their employers' liability insurance certificate where workers can clearly see it, often in a reception area, on a notice board or online as part of an intranet or online staff handbook. The law requires a minimum level of £5m cover but many insurers offer higher levels of cover.

Public liability insurance

Since most youth work organisations interact directly with young people or other organisations (considered members of the public as they are not employees) they will need to insure against potential legal costs. However well safety is managed, there is still a risk that such work could result in claims for compensation relating to injuries, harm or other loss. Public liability insurance therefore is designed to mitigate against the costs of legal fees defending such claims and for awarding compensation to claimants in the event of a successful claim. The level of public liability cover needed will vary and depend on a number of factors including the size of organisation and levels of risk: levels will normally begin at £1m but this is unlikely to be sufficient for anything other than the smallest youth work organisation. Some commissioners of youth work services will specify a minimum level of cover which may be £5m or £10m.

Professional indemnity insurance

If a youth work organisation provides training or advisory services such as consultancy, it will be exposed to claims for any incorrect advice leading to damage or financial loss to other organisations or individuals. Professional indemnity insurance is designed to cover against claims for compensation resulting from such failures - even if the service provided was free of charge. Although this is designed for organisations, some individuals may need to obtain professional indemnity insurance as a condition of membership to professional bodies. Self-employed workers may choose to buy such a policy.

Buildings and contents insurance

If your organisation operates from a commercial premises, there will be potential risks associated with the property itself or the contents if they were lost or damaged. Such loss can be insured against through a combined commercial property insurance policy. Since landlords or building owners are responsible for buildings insurance to cover situations such as fire, flood, subsidence etc, youth work organisations that are tenants can insure the contents it owns separately. Levels of cover must be proportionate to the value of the property and/or contents.

Vehicle insurance

In the same way the law requires individuals to insure vehicles owned domestically against third party risks, organisations that own or operate vehicles are also legally required to have appropriate insurance cover. If employees use their own cars for work, the organisation is not responsible for ensuring these private vehicles but it does have a responsibility for ensuring that they are insured. Employees using their private vehicles for work should also inform their own insurance providers of this and ensure cover is in place.

Other insurances that youth work organisations may consider or need for their work include the following:

- Directors and officers liability insurance
- Trustees indemnity insurance
- Travel insurance
- Data and cyber insurance
- Business interruption / event cancellation insurance

Making claims

When a youth work organisation is aware that loss or damage has occurred or is notified that a claim is being made against them, most insurers require as a condition of their policy to be notified within a defined period of time. Failure to notify insurers may mean that key opportunities to contain the situation and therefore reduce the overall claim are missed. This is likely to adversely affect the organisation so it is good practice to notify business insurers as soon as possible, especially when legal action may result. In the event of a critical incident, youth work organisations are advised to include notification to public liability insurers within checklists and critical incident plans. Good record keeping and clear organisational documentation such as policies, procedures, risk assessments, training and induction records, monitoring records, incident report forms etc will help organisations in the event of a claim being necessary.