

INSURANCE FOR COMMUNITY WOODLAND GROUPS

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 they 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.

RESEARCH CARRIED OUT BY DARACH ASSOCIATES

The following insurance companies and brokers have been of particular assistance during the recent discussions and may be worth contacting for further information and quotations:

Rural Arbor Products Limited, The Watch Oak, Lower Longwood, Eaton Constantine, Shrewsbury, Shrops. SY5 6RA Tel/fax 01952 510265

Underwritten by ACE Europe Insurance, this policy provides cover for small woodland groups against Fire, Windblow and Public Liability through Bervale Mead Insurance Brokers Ltd, 14 Church Square, Leighton Buzzard, Bed. LU7 7AE.

Willis Ltd (contact Isobel Niven), 285 Queen Street, Broughty Ferry, Dundee DD5 2HD Tel 0870 0100410 email: niveni@willis.com

A forestry insurance company, currently charging £350 minimum premium.

Knighthood Corporate Assurance Services plc (contact Jeremy Kinsman) , East Grinstead, West Sussex Tel no 01342 327111 email: jeremykinsman@knighthoodcorporate.com

Brokers who have a number of community clients in Scotland. They are happy to deal directly with community groups.

Bruce Stevenson Ltd (contact Stuart MacLeod), Walker House, 102 Restalrig Road, Edinburgh EH6 7PD Tel 0131 553 2293 email: stuart.macleod@brucestevenson.co.uk

Brokers who have access to a number of insurance companies.

Lycetts Insurance Brokers, 8 Oriel Terrace, Peterculter, Aberdeen AB14 0UR
Tel 01224 735300 AND 21B Dublin Street, Edinburgh EH1 3PG
Tel 0131 558 7393
Brokers who have a Commercial Forestry and Woodlands Insurance policy
underwritten by AXA Insurance

Marsh (UK) Limited, 27 South Tay St, Dundee Tel 01382 202101
Brokers who can access a wide range of insurers.

Keegan & Pennykid (Insurance Brokers) Ltd, 50 Queen Street, Edinburgh Tel
0131 225 6005 email: mail@keegan-pennykid.com
A special charities and voluntary sector can provide individual quotations
based on requirements.

Zurich Mutual, Community Insurance Centre, Mountbatten House, Grosvenor
Square, Southampton SO15 2RP Tel 0845 600 3184 - Contact Carl Croker-
Jones website www.communityinsurancecentre.com
An insurance company who have several group schemes, (BTCV, Highland
Council, etc.) and deal direct with groups with no intermediaries.

OTHER POTENTIAL INSURERS

AXA
NFU Mutual
CIS
BTCV
Algarve Insurance
Hiscox

***Please note that the above list is not comprehensive. It is based on the
experience of Darach Associates during the consultation contract carried out on
behalf of the CWA through Reforesting Scotland. Darach Associates cannot be
held responsible for any omissions or errors.***

TYPES OF INSURANCES WHICH MAY BE REQUIRED BY COMMUNITY GROUPS

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

This insurance is compulsory for most businesses.

Employers have many legal duties and obligations towards their employee's whilst they are at work, the most important relating to their health and safety.

Volunteers carrying out work are legally seen as employees.

Employers liability insurance provides an indemnity in respect of legal liability for all damages and costs in respect of bodily injury, death, illness or nervous shock sustained by your employees arising out of their employment in the course of your business.

Standard limit of indemnity £5,000,000 or £10,000,000 any one event inclusive of all damages and costs. Higher limits are available.

PUBLIC LIABILITY

Public Liability Insurance provides an indemnity in respect of legal liability arising in the connection with your business to pay damages as a result of accidental bodily injury or accidental loss of or damage to property of members of the public. Claims may arise as a result of negligence either on your premises or whilst you are working away from your premises

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.

PROFESSIONAL INDEMNITY

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.

PRODUCTS LIABILITY

Products Liability Insurance provides an indemnity in respect of legal liability arising from products sold or supplied, or work or services, which you have undertaken in the course of your business up to, the selected limit of indemnity

WINDBLOW

Depending on the value and development plans for your woodland or forest area you may wish to cover for storm damage. Usually crops up to 50 years old will be insurable to cover costs of clearing the site and replanting. Loss of expected income associated with the loss of the crop can also be covered.

FIRE

Usually only relevant for commercial crops where there have been extensive establishment costs, i.e. planting, fencing, fertilising and weeding). Cover will usually protect you from claims from landowners who may also suffer as a result of a fire in your woodland spreading to neighbouring property. It will also normally cover damage caused by lightning, aircraft explosion and earthquake and may also include the costs of firefighting.

EQUIPMENT AND BUILDINGS

Separate insurance can be acquired to cover storage or other buildings and equipment stored therein. Assets such as sawmills, harvesting equipment, motor vehicles, etc. can also be insured separately.

ALL RISKS COVER

Equipment damaged, or stolen from a site, can be covered under an "all risks" section.

OUTDOOR EVENTS INSURANCE

Applicable to demonstration days, entertainment events, gymkhanas, clay pigeon shoots, car boot sales, corporate hospitality events, management initiative training, (corporate) team building, sponsorship events e.g. walks, runs, climbs, etc. It is important that a risk assessment is carried out, thinking through possible risks, planning car parking, access, public control, fires risk, etc. and putting plans and measures in place which will demonstrate to your insurer that you have planned and organised the event in such a way as to minimise the risk of accidents and the inevitable claim on the insurance company.

Public liability as organiser

Loss of expenses following cancellation or abandonment

TRUSTEES' LIABILITY INDEMNITY

Although it is unusual, cover can be obtained to protect trustees from claims in respect of any "wrongful" act or wrong-doing in terms of the trust constitution, such as a breach of duty or a breach of trust. Community woodlands which are constituted as companies limited by guarantee already have their own protection with directors being financially liable for a nominal sum (usually £1), as long as they have not acted negligently.

