

## **Insurance for Voluntary & Community Groups Granted Use of Community Premises**

The purpose of this paper is to clarify the possible confusion that has arisen over the requirement for voluntary and community groups using Community Premises to have Public Liability insurance.

### **What is Public Liability insurance and why is it needed?**

Public Liability insurance covers claims made by third parties for compensation arising out of the group's negligence for:

- a) Accidental bodily injury, illness or death; and
- b) Accidental loss of, or damage caused to, property.

Voluntary and community groups have potential liabilities to their clients, visitors, other groups, and the Council in the course of their activities. Public Liability insurance offers protection to the groups against these potential liabilities, including costs such as solicitor's fees.

In the event that a voluntary or community group is sued for loss, damage, or injury arising out of their activities, there may be personal liability in the absence of insurance.

The Council's own Public Liability insurance provides cover for any liabilities arising out of the Council's business. This would give financial protection to the Council should a voluntary or community group make a claim against the Council.

### **Why does the Council insist on Public Liability insurance?**

If a voluntary or community group cause damage to Council property in the course of their activities the Council may seek recompense from the group. The group's Public Liability insurance would cover the cost of this damage.

In the event that a group does not hold Public Liability insurance there may be a personal liability, therefore it is in the interest of the group to hold this insurance.

### **What are the options?**

Voluntary and community groups may take out insurance in the general insurance market or alternatively, the Council is able to offer the insurance to groups through a scheme it has arranged with its current insurers, Zurich Municipal.

Insurance arranged in the general insurance market would cover all of a group's Public Liability insurance requirements, however the Council's scheme only provides cover in respect of liabilities arising out of the group's use of Community premises.

The Council cannot arrange Public Liability insurance on behalf of a group to cover its activities beyond the use of Council premises, because this is prevented by insurance law.

## **What is covered by the Council's Public Liability insurance scheme for groups using the Community Premises?**

The insurance provides groups with Public Liability cover in respect of their potential liabilities to their clients, visitors, and the Council, arising out of their use of Community Premises. The insurance also extends to cover groups for claims submitted against them by another group granted use of the premises.

Identical cover is automatically offered at a small charge to non-profit making organisations when groups hire Council premises other than the Community Premises, therefore providing the group does not need cover other than in Council premises there is no need for separate insurance.

The limit of liability is £5,000,000 in respect of all losses arising out of any one event and the policy is subject to a £100 excess, which will be payable by the group in the event of a claim.

The cost of the insurance will be based on notional hire charges of the premises and will be significantly below commercial insurance rates. This would also include use of the meeting room within the Community Premises.

Karen Vickery  
Service Manager – Insurance  
9 November 2011