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Introduction

There are two key areas of insurance that are of concern to a voluntary organisation providing transport:

- Motor vehicles
- Non-motor

This advice leaflet provides a brief synopsis of some of the main elements that are included in non-motor insurance for more guidance on vehicle insurance see CTA advice leaflet: [Insurance - Motor Vehicles](#).

If you already have an insurance broker acting on your behalf, you should ensure that you undertake an annual review of your cover, paying particular attention to any new activities (such as operating a minibus) that you have begun.

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Community Transport Operators

Public Liability

Public Liability provides cover for third party claims against an organisation. If someone suffers injury, loss or damage as a result of your group's negligence or failure to take reasonable care, the group could be held to be liable in law.

You should not suppose that, merely because nothing has gone wrong in the past, nothing could go wrong in the future. For example, supposing your driver damages property whilst manoeuvring a wheelchair in the passenger's home. Or, whilst helping a passenger into your vehicle, your driver offers inappropriate assistance and the passenger suffers an injury. In both cases, your group could be held liable.

Due to the level of recent settlements in the courts, many insurance advisers are recommending that groups review their level of public liability cover. Whereas, just a few years ago, it was normal for cover to be up to £5 million, cover for £10 million is now commonplace.

Although not a legal requirement, public liability insurance is something that a group cannot really afford to ignore. Indeed, CTA strongly recommends that you arrange such cover. You will need to ensure that your broker has a full understanding of all your activities, including those that take place away from your own premises. You should also make it clear if you use volunteers; remember that members of your management committee may be considered to fall into this category.

Employers' Liability

If your group employs any staff, you are required by the Employer's Liability Act 1969 to be insured against claims from your employees arising from your negligence. The Certificate of Insurance must be displayed in each of the relevant places of work.

Personal Accident

Although not a legal requirement, it is now considered good practice to provide personal accident cover for employees and volunteers. Such insurance will provide compensation if death, loss of limb or sight, or any other permanent disablement, occurs as a result of an accident.

Cover usually only applies to accidents that occur during the course of one's work; however, it is possible to extend this to 24-hour cover.

Buildings

Buildings insurance is essential, whether your own premises or whether you rent. In the former case, you will be able to determine the precise level of cover, and this should allow the full rebuilding costs, with inflation indexed linked premiums. In the case of rented premises, it is usual for the landlord to arrange buildings insurance, although the cost may well be reflected in the rent or be subject to an additional invoice. However, you should make sure that you have evidence that the landlord has actually arranged suitable insurance: request sight of the insurance policy each year.

Contents

All office contents should be insured, including equipment that you may lease from third parties (e.g. a photocopier). Make sure that your insurer is informed if there are any changes to the level of office equipment, such as the purchase of new computers.

Cover is often restricted to contents only whilst they are actually on the premises. However, it is possible to extend this to cover loss or damage whilst in use elsewhere. This is particularly relevant if, for example, your group takes an overhead projector to deliver training at another group's premises. You should also make arrangements for Goods in Transit cover. This will cover any loss or damage should you be transporting any equipment to another site.

Of particular importance to minibus operators, is the cover required for the removable seats from a minibus. If you operate several accessible minibuses it is not inconceivable that you could have a significant number of such seats stored on your premises. These could very well be valued at thousands of pounds, and should be included in any estimation of the value of your office contents.

Fidelity Guarantee

Fidelity guarantee insurance provides cover against any loss caused by fraud or dishonesty on the part of employees, or others in your organisation who may have access to funds. This can include members of your management committee.

Money

This is different from Fidelity Guarantee insurance in that it provides cover against straightforward loss, rather than loss through dishonesty. It would, for example, cover loss on the way to or from the bank, or from the home of an authorised person.

Professional Indemnity

A group planning to acquire a minibus for the first time will often approach another operator for advice. If your group is the one giving the advice, you may incur a liability should the recipient suffer any damage or financial loss as a result of that advice being incorrect. Professional Indemnity insurance provides cover against this kind of liability, but it can very often be expensive to obtain.

Directors' and Officers' Liability

This is sometimes known as Trustee Liability insurance, and is designed to protect members of a management committee against losses caused by their wrongful actions (but not from losses caused by breaches of criminal or contract law).

You will need to check your constitution (or memorandum and articles of association if your group is a company limited by guarantee) to see if it has a clause that empowers the arrangement of such insurance. Very often, there is a clause that specifically prohibits a charity using its funds to pay for this type of insurance.

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Community Car Schemes

There are a number of areas of insurance that car scheme operators may wish to look at.

Loss of No Claims Bonus

Car schemes should consider taking out this extra insurance to provide cash compensation for volunteer drivers who, in the course of their volunteering, have an accident which results in the loss of their no claims bonus. E.g. a passenger accidentally scratches the volunteers' car when exiting the vehicle - the passenger probably could not afford to repair the damage and the volunteer would not wish to claim off their own insurance only to lose their no claims bonus.

Payment of Excess

Many insurance policies carry an excess (that is the policy holder is responsible for the first £100 or £200 of any claim). This is commonly used to deter administratively expensive small claims. As with the Loss of No Claims Bonus policy above, financial compensation is awarded in the event of an accident.

For this type of policy (and those covering loss of no claims bonus) to be valid the volunteer has to be shown to have been acting on the authority of the project, that is undertaking an authorised journey for the scheme.

Where the total value of a claim is less than the excess it is unlikely that any compensation would be awarded under this type of arrangement. If a driver is involved in a minor damage accident, you should consider reimbursing this small amount from your own budget.

Contingent Liability

If a volunteer driver is involved in an accident whilst undertaking work on behalf of the car scheme, then the scheme itself could be held responsible because it arranged the journey. A contingent liability policy would protect the project from such claims from drivers, passengers and others.

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About the Community Transport Association

The Community Transport Association is a national charity that represents and supports providers of community transport: thousands of other local charities and community groups across the UK that all provide transport services that fulfil a social purpose and community benefit. We are for, and about, accessible and inclusive transport.

We help our members remain relevant and responsive to key areas of public policy and to make a big difference for the people and families in the communities in which they work. Our vision is of a world where people can shape and create their own accessible and inclusive transport solutions and our mission is to achieve this through championing accessible and inclusive transport, connecting people and ideas and by strengthening our members and raising standards.

Keep up to date with CTA via our website ctauk.org or by [signing up to our monthly News Brief](#)

About CTA's Advice Service

The CTA's Advice Service is available to CTA members, community and other voluntary groups, local authorities and other statutory bodies. It offers information and support on any aspect of non-profit transport operations. The CTA's Advice Service covers the whole of the UK and is supported by national governments. We will only ever explain the most accurate and commonly accepted interpretation of regulations and best practice. We do this by providing support and information on a wide range of community transport related topics such as permits and licensing regulations and by signposting to other agencies. The Advice Service does not exist to provide legal advice on any topics. If you are still unsure you will need to seek [legal advice](#).

For more information, contact
advice@ctauk.org | 0345 130 6195 | www.ctauk.org

Disclaimer:

The Community Transport Association has made every effort to ensure the accuracy of the information contained in this leaflet, but it should be noted that this is only a guide, and should be treated as such.