



**INLAND
WATERWAYS**
ASSOCIATION

GUIDANCE NOTE

Insurance



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INTRODUCTION

Nearly every organisation, however small or low-key its activities, is likely to need insurance – otherwise the people who run that organisation could find themselves, their homes and their finances at personal risk. This is especially important for groups that are not incorporated – i.e. organisations that are not companies. All groups, whatever their size and constitution, have a duty of care to their volunteers, even if the organisers think that the Health & Safety at Work etc Act, doesn't apply to their activities.

WHERE IS THE RISK?

Accidents and injuries can happen to anyone at any time, often through the most seemingly innocent of activities. Too often an injured party, whether that injury is to property or person, will look for someone else to blame. Even a group's own supporters can turn on the organisation to make a claim. In the event of an injury at an activity that the organisation is responsible for – even if it is just a hot-water burn during refreshments, or a trip or slip at a meeting – the organising committee might find themselves alleged to be at fault, and a claim made against all or any of them.

Without insurance, the group's trustees or committee members could find themselves fending off such a claim, however spurious, from aggressive 'no win no fee' solicitors, and the legal fees incurred in defending a claim, even if you are entirely innocent, maybe greater than any damages awarded. Public liability insurance provides peace of mind that insurers will deal with such claims. It is, however, important that groups understand exactly what the limitations and exclusions of any insurance policy are.



TYPES OF INSURANCE

Organisations involved in advocating waterways restoration or undertaking physical work on restoration sites are likely to require some or all of the following types of insurance depending on their activities:



Public Liability*

Virtually every organisation should have this one insurance, even if no others are held. This insurance provides protection against claims from third parties for negligence that have resulted in injury to people or damage to their property. The usual level of insurance held provides protection for claims of up to £5 million or £10 million. You should check that the policy has an extension to provide cover to individuals acting on behalf of the insured. This is important for voluntary organisations, as it provides cover to those working on behalf of the organisation if a claim is made against them personally rather than against the organisation. Most navigation authorities, local authorities and many other bodies require this insurance to be in place before they will permit events and activities to be held on their property.



Employers Liability*

This insurance is a legal requirement for all organisations that have employees, and provides for claims against the organisation from employees as a consequence of their employment. It can include people who are under instructions from an organisation, even if they are not paid any remuneration - for example, committee members may be considered a servant of the organisation even though they are not in receipt of any pay, as they perform tasks instructed by the whole committee.

Likewise, volunteers on a worksite under the instruction of a site organiser may be considered (unpaid) employees in law. The usual level of cover is £10 million and there is a legal minimum of £5 million. This insurance usually has fewer exemptions than public liability insurance.



Property Insurance*

If an organisation has any physical assets (e.g. buildings, waterway structures, tools and equipment) of substance then it is usual to protect those assets from loss or damage by 'All risks' property insurance. Failure to protect assets properly could leave an organisation's trustees or committee members liable. The premiums for property insurance may vary with different types of assets, and there is usually an 'excess' on each claim, which means that insurers do not pay the first, say £250 or so, each time you make a claim. This is largely to stop people making small frivolous claims for minor losses, as that would be expensive to administer. Before insuring property, an organisation should consider whether it could easily afford the loss of the property - i.e. to self-insure. Also, it is usually pointless to insure low value property if the total of any claim would only just exceed the excess. Extensions of this insurance may be required to cover hired-in and borrowed equipment, whether for building work or when holding an event, or for 'transit insurance' to cover property being moved from one place to another.



Marine Liability*

With most public liability policies, there is an exclusion on (a) the use or motorised vehicles on the public highway, and (b) motorised vessels on inland waterways. Separate motor and vessel policies will usually be required if the insured owns or uses vehicles or boats (see below). There is also a further potential gap in insurance cover for those organisations holding boat rallies and the like to cover against third party claims from vessel owners and others consequent to the direction and movement of vessels on the waterways (e.g. arranging moorings at a rally). A contingent marine liability policy should pick up claims that a public liability policy is likely to exclude.



Owned & Hired-In Plant Insurance*

Where an organisation owns plant or runs worksites, whether on its own property or that of others, or hires in plant from a hire company, it will need insurance to protect against loss or damage of the equipment. Some hire firms will offer or arrange this insurance, usually in the form of a damage waiver, but it is usually much cheaper for an organisation to have its own hired-in plant policy. It is a requirement of some plant hire operators to have this insurance before they will hire out substantial equipment.



Cash Losses*

Separate insurance may be required for the potential loss of cash, cheques, credit and debit card documentation, stamps, and other negotiable instruments. This may be particularly relevant for organisations that hold events with admission charges or similar activities with cash on site, such as catering and bar operations.



Personal Accidental Insurance*

An organisation may wish to provide protection to its volunteers and other supporters should they cause injury to themselves (whilst working on the organisation's behalf) through no fault or negligence of the organisation – and thus not qualify for a claim under the public liability or employers liability covers. Having personal accident insurance removes the need to demonstrate negligence before a claim can be made, and can provide some reassurance to volunteers who might fear the financial consequences of injuring themselves through their own inattention or negligence.



Contract Works Insurance*

This insurance provides against loss or damage to structures under the course of construction, including materials on building sites, and for reinstatement of the works in the event of failure through catastrophe during a building project. It is particularly relevant to restoration groups who carry out building works.



Business Interruption Insurance*

This insurance provides compensation in the event of loss of income through major interruption to business (such as caused by fire or flood). This can cover the cost of increased working as a consequence of business interruption, as well as lost revenue.



Combined Commercial Policy

Where IWA arranges insurance, all of the above covers (those asterisked), and some other benefits, are wrapped together in a single Combined Commercial Policy.



**Trustee Indemnity
(Management Protection
Insurance)**

This is also known as ‘Directors and Officers Insurance’ when it applies to commercial companies. Whilst public liability insurance picks up claims for negligence by those acting on behalf of an organisation, trustee indemnity insurance is designed to pick up a wider range of claims against trustees personally for errors and misjudgements made in their capacity as trustees, as well as against their organisation. It does not, however, protect against any criminal misdeeds, as these are not insurable. This cover should extend to all officers and managers of the organisation and any subsidiary companies, whether or not they are trustees.



Motor Fleet Policy

The vehicles operated by an organisation, along with any road-going trailers should be covered by motor insurance – either ‘Third Party Fire & Theft’ or ‘Fully Comprehensive’. Usually such cover for vehicles operated by a voluntary organisation will permit use by any driver (with appropriate training, and certain other limitations) over the age of 25 (and under that age with specific approval from insurers). There is also contingent motor cover which can provide cover for Occasional Business Use. This provides cover for any driver of any vehicle on the organisation’s business where a claim is refused by the driver’s main insurance owing to deemed business use (to the same extent as their own insurance cover). Motor policy cover is also likely to be required for any agricultural vehicles or motorised plant operating on any road, footpath or other area that the public has access to.



Vessel Fleet Policy

This works in a very similar way to a motor fleet policy and provides comprehensive insurance for the vessels and any claims against an organisation for use of its work boats and/or passenger boats.



**Professional Risk
Insurance**

This provides cover against claims where the provider of a professional service is deemed to have been negligent in the course of the provision of a professional service. It is particularly relevant where volunteers are offering their professional skills to the benefit of an organisation, and where there could be risks to both the organisation and the volunteer if their advice and professional service proves to be at fault.



**Event Cancellation
Insurance**

Insurance can be put in place to insure against the costs of putting on large events if they were to be cancelled owing to external factors beyond the organisation’s control (e.g. flooding or severe weather). Where relevant, this insurance should be taken out as early possible in the planning and arrangement of an event.

IWA INSURANCE ARRANGEMENT

IWA arranges insurance for nearly 200 corporate members, in most cases covering all their insurance needs, including an annual review of their requirements, assisting in claims management, and providing advice on insurance matters. This is undertaken through our brokers, Griffiths & Armour, who collect premiums, issue policy documentation and prepare and issue insurance certificates and schedules of insurance. Corporate members covered by this arrangement include nearly every waterway society of substance in the country, many boat clubs, community boating organisations, smaller navigation authorities, national waterway user groups, and a range of other educational and heritage organisations, event organisers and museums.

IWA is authorised and regulated by the Financial Conduct Authority for this purpose.

IWA's purpose in arranging insurance is primarily to enable the provision of necessary covers for corporate members that they would otherwise be unable to obtain with such wide-ranging cover and at a similar premium on their own, although it does also help to keep IWA's own premiums down through having significant sway with insurers from the size of insurances arranged. The motor policy is arranged as a single policy covering IWA, subsidiary companies and participating corporate members; other policies are directly between the corporate member and the insurer. The premiums also reflect that IWA assists with the administration work for both insurers and brokers. The extent of insurance arrangements and long relationship with insurers also enables cover to be extended for a range of activities for which insurers would usually be reluctant to provide cover without substantially greater premiums (e.g. use of mechanised plant, chainsaws, any motor vehicles, etc), albeit subject to some limitations such as appropriate training regimes.



Group Eligibility

IWA's insurance arrangements are open to any non-profit making organisation with an interest or involvement in the waterways, including canal restoration groups, community organisations, boating and other activity groups, navigation authorities and landowners, museums, industrial archaeology groups and educational bodies. It is a condition of the policy that all participants are corporate members of the Association.



This brief guide is a very simple summary of some of the many covers available. IWA can provide full policy terms and arrange individual quotes for organisations requiring insurance. Further guidance is available on a wide range of aspects of insurance.

GUIDANCE NOTE

CONTACT IWA INSURANCE

Further information can be obtained at:

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✉ **insurance@waterways.org.uk**

IWA is authorised and regulated by the Financial
Conduct Authority for arranging insurance.



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