

What insurance should your charity consider?



Don't run for cover, we can help

When it comes to insurance, charities share many of the same needs as other organisations, and face many of the same risks, both internal and external. But how do you know which cover is right for your charity?

In this fact-sheet, we've broken down some of the main insurance types you should consider, from the legally essential to the optional but strongly advised.

Your insurance options

There are four main things your charity will want to protect:

1. Your liabilities, if claims are made against you;
2. Your property, such as buildings and equipment;
3. Your income, if you were unable to operate;
4. Your people, such as staff, volunteers trustees.

Getting the right cover, starts with asking the right questions.

What insurance is required by law?

Do you employ staff?

All UK charities that employ staff must have [Employers' Liability Insurance](#) to cover injuries or illnesses any worker suffers while on the job.

Do you own or use motor vehicles?

If you own or drive vehicles you must have third-party [Motor Insurance](#) to cover the costs of injury, death, or damage to property caused by you, your staff, or volunteers behind the wheel, as well as the defence costs if a court case is brought against them. You may also wish to consider a policy that covers repairs to your company vehicle.

What risks does your charity face?

Assessing the risks is a vital first step in picking a policy, so consider everything that could go wrong during, or as a result of, your charity's activities. Think about:

- Who or what could be affected if an incident were to arise?
- What claims could be made against you, where and by whom?
- How much would property repairs or replacement items cost?
- How would your organisation manage in the event it could not operate and lost income?

Is anything already covered?

If your charity is part of a bigger umbrella organisation, you might be insured under their insurance. Investigate existing cover so you don't double up unnecessarily.

Do you work with the public?

Financial claims could be made by people outside your organisation for monetary loss, damage to their property or injury suffered as a result of your activities. [Public Liability Insurance](#) protects you against such claims by covering medical and legal costs.

Do you supply or sell a product?

[Product Liability Insurance](#) covers claims from injuries or illnesses caused by anything you make, sell or serve to the public.

Do you provide advice or training?

If your charity gives guidance, training or consulting services that could cause the recipient financial loss or other grievance, [Professional Indemnity Insurance](#) can cover any claims brought against you.

Could you be exposed to fraudulent activity?

In this digital era, all organisations with a website, social media accounts, online shop or electronic databases are at risk from hackers stealing money and personal data. [Cyber Liability Insurance](#) can cover such costs as business disruption, cyber extortion (including any ransoms paid), and compensation owed to people whose personal data was leaked. It will also pay for computer repairs or replacements if your systems fail or succumb to a virus.

And even charities can fall foul of staff misconduct. [Employee Dishonesty, or Fidelity, Insurance](#) will recover the losses from fraudulent activity and embezzlement, as long as you can prove that suitable security measures were in place.

Do you own property?

Your charity's assets, from buildings to computers and furniture, should ideally be covered by [Buildings and Contents Insurance](#). Keep an inventory with the current replacement costs of everything you own, even if it was a gift, and update your policy with any changes.

Damage or destruction of property can wreak havoc on your operations, so consider [Business Interruption Insurance](#) to cover consequential losses and expenses as well as future loss of revenue if your building, or key equipment, becomes unusable.

Do you run or host events?

When hosting an event, for example at big fundraiser, you should think about:

- What activities will you run?
- Will you serve food?
- What equipment will you use?
- What accidents could happen?
- What would it cost you if your event had to be cancelled?

[Event Cancellation Insurance](#) can compensate you for costs you've incurred if your event cannot take place. Most policies allow you to add short-term insurance for one-off, high-risk activities and equipment that you may hire in.

Do you have trustees?

Charity trustees are responsible for important business decisions, but may not always get it right. [Trustee Indemnity Insurance](#) protects them from personally paying the legal bills if they unwittingly cause harm or financial loss through negligence or breach of duty.

Do you want to protect staff and volunteers in case of accidents?

Besides the mandatory cover requirements, you may want to protect your employees and volunteers even further with [Personal Accident Insurance](#), which covers medical bills and loss of income if they are injured as a result of an accident.

Do your staff and volunteers travel overseas?

If your staff must venture further afield, travel insurance will cover the cost of delayed journeys and medical expenses abroad.

Have you read the small print?

It may be a cliché but should not be ignored. Different policies provide different levels of cover, and could have caveats hidden in the terms and conditions. Things to look out for are their definition of a volunteer, any age-related restrictions, and specific activity exemptions.

As an experienced charity insurance broker, we can check the fine print for you and help create a bespoke policy to suit your unique needs.

We're here to help

Getting the right insurance cover for your organisation

This is not an exhaustive list of cover available and your charity may have extra requirements depending on your activities.

Not all insurance policies are the same. We can arrange insurance that covers your own particular circumstances and specific risks.

Speak to our Insurance Experts.

0345 040 7731

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