

# Understanding insurance and risk management

A guide for community groups who organise events

فہم التامين وإدارة المخاطر

Community groups who organise events



# Introduction

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This booklet aims to give general advice, assistance and provide further information on insurance and risk management for community groups.

It is available in Braille, large print and on a disk (only the text in Word) if you ask us. Please contact the Interpretation Services on 0131 242 8181 and quote reference number 06262

## **Disclaimer**

This booklet is for general advice and guidance only. You should consult with a properly qualified Insurance and Risk Management Adviser who will provide advice and arrange cover to suit your organisation's individual needs.

The City of Edinburgh Council cannot accept responsibility for advice provided by any other organisation.

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Each year many hundreds of community organisations within Edinburgh organise a wide variety of events.

The Council recognises that general advice and assistance may be required in managing the risks associated with these organisations and events. This booklet aims to give general advice, assistance and to provide sources for further information.

In view of the wide-ranging nature of these activities, it is not possible to cover everything, and you should contact a professionally qualified Insurance Adviser for assistance. The Adviser may also be able to help you obtain competitive quotations.

Whilst the City of Edinburgh Council is unable to provide an individual consultancy service for insurance and risk management it will always try to provide community groups with general advice.

E-mail: [insurance@edinburgh.gov.uk](mailto:insurance@edinburgh.gov.uk)

# Frequently Asked Questions

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Q Why is our event not covered by the Council's insurance?

A The Council can only legally insure its own activities.

Q What types of insurance may be required?

A All organisations are likely to require liability insurance. A relatively minor incident could produce a claim from an employee, volunteer or member of the public for compensation and the associated legal expenses.

If you have an employee(s) even on a short-term basis, you are legally required to insure them under an Employers Liability Policy.

If your organisation gives advice, you can be sued in the event that someone sustains injury, damage or financial loss from incorrect advice.

If you are letting premises or seeking a licence for an event, you are generally required to hold liability insurance.

If your organisation has property such as premises or equipment you should consider insuring them against damage or loss.

If privately owned cars are being used to assist the organisation then you should check the insurance to make sure that you are covered for such use.

If the event is cancelled for any reason, such as the weather, you may lose money. You can insure against this.

Q What are the consequences if we do not insure?

A If no insurance is in place then the community organisation may have to fund any compensation.

If the organisation does not hold sufficient assets, then the individuals organising the event may become personally liable for damages. If you are in doubt about your responsibilities you should refer to your organisation's governance arrangements such as its constitution.

Q What is Risk Management?

A Risk Management is a way of helping you to identify the risks and hazards that could result in accidents, injury or damage. Once identified they may be changed or controlled and insurance may be put in place to deal with the unforeseen. See Risk Management section on page 8.

Q How do I know what to insure and how do I arrange cover?

A You should seek advice from a professional Insurance Adviser. Sources of information and useful websites are provided on page 14.

# Types of insurance cover

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The following provides information on four of the main types of insurance. This list is by no means exhaustive and your Insurance Adviser will be able to provide details of cover to meet your requirements. Websites at the end of this booklet give further information.

## **Public Liability**

This covers the insured organisation against claims for injury to third parties or damage to third party property arising from its negligence.

Negligence is a legal term that means a failure to exercise the degree of care considered reasonable under the circumstances, resulting in an unintended injury to another party or damage to their property.

## **Employers Liability**

This is legally required where an organisation has employees and indemnifies (protects) the insured against claims from employees for things such as back injuries. It is important to mention it to Insurers if you use volunteers so that they may be catered for by this policy.

## **Property**

This can normally cover buildings and their contents against damage or loss caused by for example:

- Fire, lightning, explosion, aircraft, malicious damage, riot and civil commotion, earthquake, storm or flood, bursting or overflowing of water tanks, apparatus and pipes, impact, computer, theft, business interruption, loss of revenue and loss of rent.

This insurance is normally only required by premises owners. However, the terms of any lease or hire may make your organisation responsible for damage. This may also apply to equipment you hire.

**Motor**

Motor insurance for injuries to third parties and a third-party's property is required by law for any vehicle. Where a vehicle is being used for travel associated with a community organisation or event, you may require a 'business use' extension to your policy. You should check with your motor insurer that you are entitled to use the vehicle in connection with the activities of your organisation.

**Event cancellation**

Cancellation cover can be obtained for an organised event for unforeseen circumstances such as bad weather.



Risk Management is a method of identifying problem areas of your activities and dealing with them. One of the best ways of doing this is to carry out a risk assessment.

A risk assessment is a careful examination of all your activities to identify any that could cause harm to people (hazards) so that you can assess whether you have taken enough precautions or should do more to prevent harm. The aim is to make sure that no injury or damage is caused.

Risks are the chances, high or low, that somebody will be harmed by the hazard.

The important thing to decide is whether a hazard is significant and whether you have reduced it by taking sufficient precautions so that the risk is small (controls). You should focus your attention on potential accidents, which are likely and foreseeable. Insurance only protects against the financial impact of incidents, and should not be seen as a substitute for good risk management.

# How to assess the risks

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This process does not have to be complicated. For most small events the hazards are few and simple and checking them is common sense. For example, you probably already know that if you hire a bouncy castle or other games equipment, these have the potential to cause injury. So you should check that you have taken what reasonable precautions you can to avoid injury. This would include adequate supervision, restrictions on numbers and a policy on ages.

## **Identify the hazards and controls**

Have a walk through your site, or examine your activities and look afresh at what could cause harm – ignore the trivia and concentrate on significant hazards that may cause serious harm, or affect several people, such as fire or crushing.

As well as the risks, identify what precautions, procedures and controls are in place to prevent or reduce accidents, such as more or better trained stewards. Consult with your colleagues, contractors, operators, Health and Safety Executive, premises owners and manufacturers instructions and anyone else you think appropriate.

## **Identify who may be harmed**

Once you have identified the hazards, you need to consider who they might affect – your colleagues, the public, contractors and so on. Do not forget that young people are at particular risk and extra precautions will be required to deal with youthful recklessness.

## Evaluate the risks and controls

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Having identified the risks, the precautions in place, and who may be injured, you then need to consider what risks remain. Despite your existing precautions, are there still significant risks? A good starting point is to decide if each remaining risk is high, medium or low – your aim is to make all the remaining risks low.

Some of your activities might be subject to legal requirements for instance working at heights, or with chemicals. Specific standards are required. These can be obtained from the Health and Safety Executive or HSE Books.

Where there is no statutory requirement you may wish to investigate industry standards, or manufacturer's guidance for your activities. The law says that you must do what is reasonably practicable to keep your activities safe.

If you decide that something needs to be done, draw up an action plan. Give priority to the risks that are high, most dangerous or affect the most people. Consider getting rid of the hazard completely. If not, reduce the risk so that harm is unlikely. You may wish to think about the following:

- Is there a less risky option or alternative?
- Can the hazard be isolated (for example guards, fencing)?
- Whether to issue protective equipment (such as gloves or safety helmets).
- Whether to provide more welfare services such as washing facilities and First Aid kits.

Improving health and safety need not cost a lot. Often all that is required is for someone to be alert to the risks and be assigned to look after them. Contact details for the Health and Safety Executive are provided at the end of this booklet.

## Record your findings

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If you have fewer than five employees you are not legally required to record risk assessments. However, it is useful and prudent to keep a written record of what you have done. In the unfortunate event that something serious does happen you will be able to demonstrate that:

- a proper risk assessment was carried out
- you consulted on who might be affected
- you dealt with all the obvious significant hazards
- you took all reasonable precautions.

Keeping a written record can be used to demonstrate the above, and as a briefing note to the rest of the organisation. You may wish to use the following Risk Assessment example form to create your own.

# Risk Assessment Guidance Form

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Hazards	Persons at risk	Risk factor	Control measures	Action required	Action completed	Person responsible
Fire	Everyone	Low	Sensors, Alarm, Sprinklers	Check maintenance	1 April	
Bouncy Castle	Children	Medium	Supervision, Numbers restriction, Check manufacturers instructions, Check suppliers insurance, Accident book	Train supervisor	5 April	

## Review and revise your assessment

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Your risk assessment form needs to be kept up-to-date and reviewed regularly. Any new activity that your organisation takes on will bring new hazards that need to be added to the assessment. You should review it prior to any event you undertake. In the event that something goes wrong, your risk assessment form should be revised to include any action that could be taken to prevent it happening again.

### **Further information on Health and Safety**

The Health and Safety Executive (HSE) produces a huge amount of information that can be ordered by mail order from HSE Books, PO Box 1999, Sudbury, Suffolk, CO10 2WA. Telephone: 01787 881165. Fax: 01787 313995. Website: [www.hsebooks.co.uk](http://www.hsebooks.co.uk) The information contained in this leaflet includes extracts from HSE Five Steps to Risk Assessment.

## Sources of further information and advice

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Some telephone lines may be at premium rates. You will need to check before using them.

### **The British Insurance Brokers Association**

[www.biba.org.uk](http://www.biba.org.uk)

Telephone 0901 814 001

### **The Health and Safety Executive**

[www.hse.gov.uk](http://www.hse.gov.uk)

Telephone 0131 247 2000

### **The Royal Society for the Prevention of Accidents**

[www.rospa.com](http://www.rospa.com)

Telephone 0121 248 2000

### **The Edinburgh Voluntary Organisation's Council**

[www.evoc.org.uk](http://www.evoc.org.uk)

Telephone 0131 555 9100

**VolResource** aims to make it quick and easy to get to useful information on anything to do with running a voluntary organisation. Links to insurers and brokers are provided.

[www.volresource.org.uk](http://www.volresource.org.uk)

Telephone 070 9235 7720

### **The Emergency Planning Society**

[www.emergplansoc.org.uk](http://www.emergplansoc.org.uk)

Telephone 0845 600 9587

**The Association of British Insurers**

[www.abi.org.uk](http://www.abi.org.uk)

Telephone 020 7600 333

**The Charity Commission**

(Charities and Risk Management Section)

[www.charitycommission.gov.uk/investigations.charrisk.asp](http://www.charitycommission.gov.uk/investigations.charrisk.asp)

Telephone 0845 300 0218

**The Scottish Council for Voluntary Organisations Management Essentials**

[www.scvo.org.uk](http://www.scvo.org.uk)

Telephone 0131 556 3882

**The City of Edinburgh Council Licensing Department**

[www.edinburgh.gov.uk/internet/business/licensing](http://www.edinburgh.gov.uk/internet/business/licensing)

E-mail – [licensing@edinburgh.gov.uk](mailto:licensing@edinburgh.gov.uk)

Telephone 0131 529 4208

**The City of Edinburgh Council Insurance Section**

E-mail – [insurance@edinburgh.gov.uk](mailto:insurance@edinburgh.gov.uk)

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This booklet aims to give general advice, assistance and provide further information on insurance and risk management for community groups who organise events. For information on translation of this document in your community language, please telephone Interpretation and Translation Service on 0131 242 8181 and quote reference number 06262.

یہ سب کھیتینیٹی گروپ انڈیون ایویا دی آریوون کنرہ تونہر ویماکرنل اہنڈ سمنڈوا ویسن سہڑکھ سواہون پرورمرش، سہڑوونآ، اہنڈ اہریریرک تہو اہونن کہو اہل اہی ہونتریکار ایونہشہا ۔ آونہنار سونڈواہنرہر آونہر اہی ڈکومینٹ انہوونم کرونر ہونہرہر تہو ہونہرہر کنہو ایویونہرہرٹونہون ہونڈ ٹرونہونہون سارہونہون (آئی،ٹی،اےس،)۔اہر سونہو 0131 242 8181 نہڑہرہر ہونن کہرہر ہونہرہرہون نہڑہر 06262 ایویونہر ہونہونہون ۔

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本小冊子專為組織活動的社區團體提供一般意見、協助，並就保險和風險管理事宜提供更多資訊。欲查詢把本文件翻譯成中文，請致電 0131 242 8181 與傳譯及翻譯服務部聯絡，並說出參考編號 06262。

بهذه هذا الكتيب التي بمساعدة وتصحيح العلة وتقديم المساعدة والمعلومات الإضافية حول التأمين والذرة المخاطر لمجموعاتك الاجتماعية التي تفهم منسبتك، المعلومات حول ترجمة هذه الوثيقة. في لغة جديتك الرجاء الاتصال بمكتب خدمة الترجمة الفورية وتنشيرية على رقم الهاتف 0131 242 8181 ونكر الإشارة رقم 06262

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