

# GUIDE TO CARE INSURANCE

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What insurance does your care organisation need?

Public liability insurance

Professional indemnity insurance

Employers liability insurance

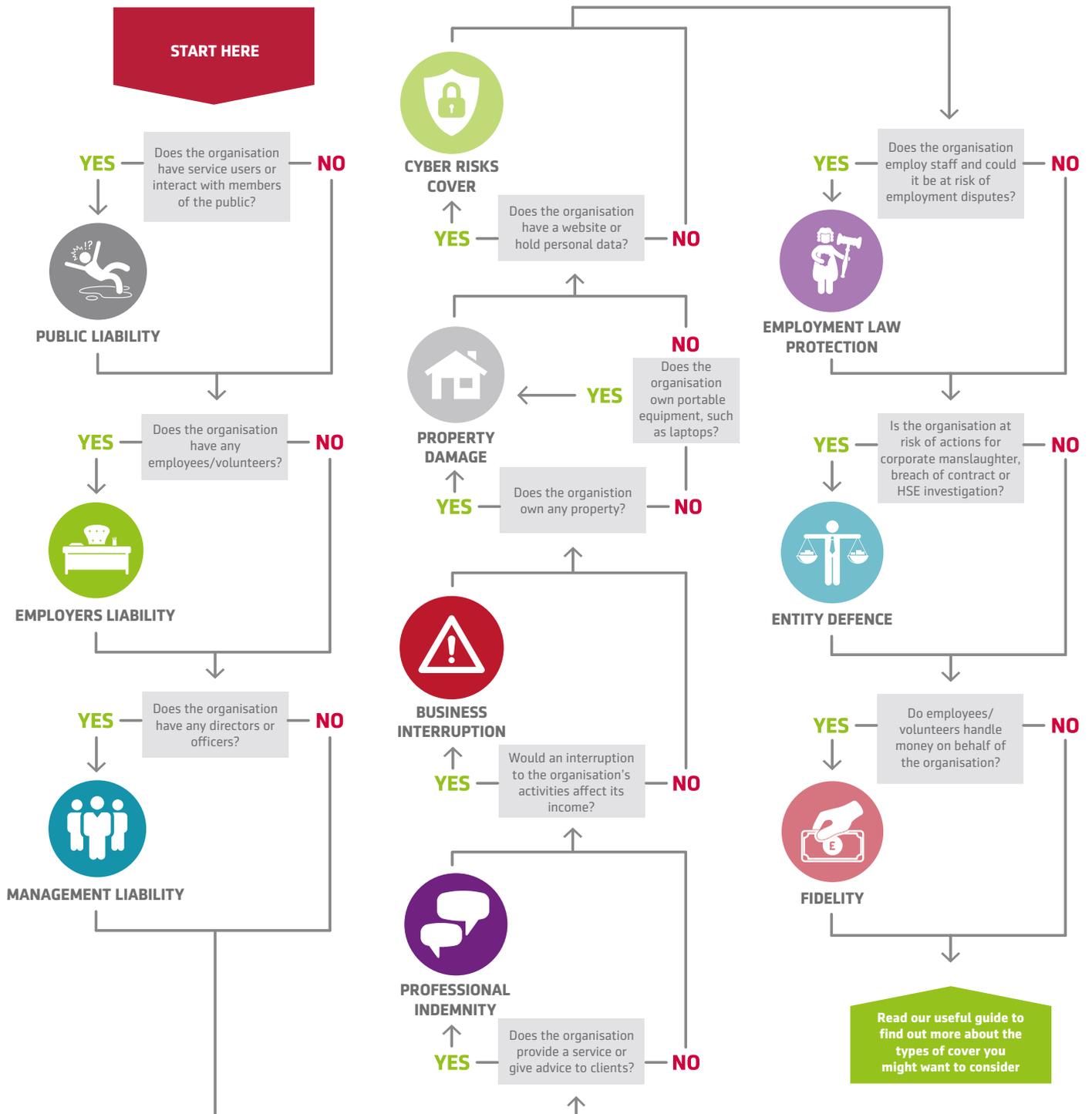
Management liability insurance

Property and business interruption

Other covers to consider



# WHAT INSURANCE DOES YOUR ORGANISATION NEED?





# PUBLIC LIABILITY INSURANCE

## WHAT IS PUBLIC LIABILITY INSURANCE?

Public liability covers you for:

- Legal costs and expenses in defence of a claim
- Damages and compensation awarded against you

In the event of:

- Alleged injury to a third party
- Third party property damage



## WHY IS PUBLIC LIABILITY INSURANCE IMPORTANT?

In our increasingly litigious society, public liability insurance is an absolute necessity for organisations involved in the provision of care, support and advice for disadvantaged or vulnerable people. That's because there are a large number of 'wrongful acts' that can lead to a claim being made against you, ranging from a service user being injured to damage you cause to third party property.

Accidental injuries such as slips, trips and falls can lead to a soft tissue compensation claim. Depending on the severity, this could cost around £2,000 plus legal fees that can typically add another £5,000 to your costs; unless of course you have the right public liability insurance in place.



Some specialist insurance policies will include abuse cover as part of their public liability insurance. This is particularly important for care organisations and can protect against an incident, or alleged incident involving someone in your care that may occur during the period of cover.

## WHAT CAN GO WRONG?

Public liability insurance would protect your organisation in the following example scenarios:



### Third party damage

A volunteer driver for a community transport organisation failed to adequately monitor a service user who then opened a car door into the path of an oncoming vehicle. The community transport organisation was held responsible for the damage caused to both vehicles.



### Injury to service user

A service user was sat in the rear of a car awaiting assistance when a volunteer inadvertently closed the car door onto their outstretched hand causing cuts and bruising.



# PROFESSIONAL INDEMNITY INSURANCE

## WHAT IS PROFESSIONAL INDEMNITY INSURANCE?

Professional indemnity covers you for:

- Legal costs and expenses in defence of a claim
- Damages and compensation awarded against you

In the event of:

- An allegation of providing incorrect advice, negligent services, dishonesty of employees or medical malpractice.



## WHY IS PROFESSIONAL INDEMNITY INSURANCE IMPORTANT?

Regardless of how many years experience your organisation may have, there is always the possibility you or one of your employees could make a mistake.

Professional indemnity insurance is an important cover for anyone involved in providing any form of care or support. It covers against allegations of professional negligence - such as giving your client incorrect advice, defamation, dishonesty of employees and medical malpractice.

You should consider professional indemnity insurance that includes medical malpractice cover to ensure you are

protected should a health care worker provide negligent treatment resulting in injury or death.

Without PI cover your financial position could be left vulnerable if a claim is brought against you. Although most organisations strive to provide the best service possible, people do make mistakes; knowing that adequate insurance is in place will give you peace of mind that you are prepared should an incident occur.

## WHAT CAN GO WRONG?

Professional indemnity insurance would protect your organisation in the following example scenarios:



### Breach of professional duty

A care organisation employed an agency worker to fill a gap in their staff without checking that the agency had been provided with appropriate training. The agency worker negligently injured a service user leading to a claim against the organisation for breach of professional duty.



### Inadequate supervision

A service user was burnt during a cooking lesson undertaken at a training centre that catered for adults with learning difficulties. A family member made a claim alleging inadequate supervision.



# EMPLOYERS LIABILITY INSURANCE

## WHAT IS EMPLOYERS LIABILITY INSURANCE?

Employers liability covers you for:

- Legal costs and expenses in defence of a claim
- Damages and compensation awarded against you

In the event of:

- Alleged injury to an employee



It is a legal requirement to have a minimum of £5m cover. Failure to obtain appropriate cover can result in a fine of £2,500 for every day you are not insured.



## WHY IS EMPLOYERS LIABILITY INSURANCE IMPORTANT?

Employers liability claims are extremely commonplace, in no small part due to the litigious society in which we live today. If employers liability cover did not exist, your organisation would have no option other than to fund the full cost of claims itself. This could include payments for damages and legal costs and the costs of obtaining your own legal representation.

Claims are wide-ranging. They can and do arise from ex and current employees.

They can be brought due to a wide range of physical and psychological injuries sustained during the course of employment.

Such claims should never be taken lightly or disregarded. Even a minor injury can cost several thousand pounds to deal with, while a more serious injury or illness can easily lead to claims in the tens or hundreds of thousands of pounds.

## WHAT CAN GO WRONG?

Employers liability insurance would protect your organisation in the following example scenarios:



### Employee injury following assault

An employee who worked with vulnerable adults was assaulted by a service user when the employee refused to allow a snack before mealtime. The service user bit the employee's hand and shoulder resulting in the loss of the tip of the finger and permanent scarring to the shoulder.



### Cumulative strain injury

A minibus driver working for a community transport organisation alleged cumulative injury as a result of the power steering on the minibus being defective.



# MANAGEMENT LIABILITY INSURANCE

## WHAT IS MANAGEMENT LIABILITY INSURANCE?

Management liability covers you for:

- Legal costs and expenses in defence of a claim
- Damages and compensation awarded against you

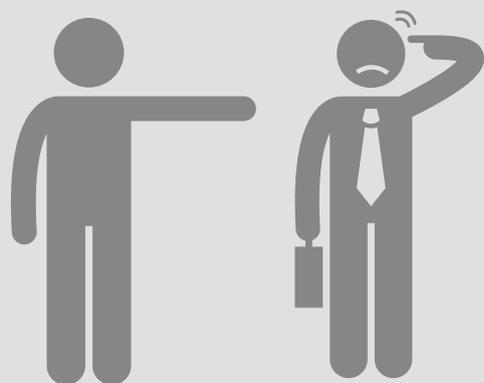
In the event of:

- A claim against a director, officer, trustee or manager of an organisation.

## WHY IS MANAGEMENT LIABILITY INSURANCE IMPORTANT?

While most organisations are protected through public liability and other insurances, the individuals within the company are often unprotected. It is important to recognise that individuals involved in the management and decision making for care organisations bear considerable responsibility both for their actions and the actions of the organisation they represent.

Making an incorrect decision on a seemingly minor issue can put the individual at risk of compensation claims, legal action or official investigations being directed towards them personally.



## WHAT CAN GO WRONG?

Management liability insurance would protect your organisation in the following example scenarios:



### Risk assessments not followed

A manager of a centre providing respite care was investigated when a service user choked on their food and was hospitalised because the relevant risk assessments were not followed. The actions of the manager were investigated by the police and the Health and Safety Executive (HSE).



### Alleged false accounting

An organisation providing care for vulnerable adults went into liquidation. Disqualification proceedings were brought against the finance director by the Insolvency Service. The Insolvency Service alleged that the director had obtained over £400,000 through false accounting.



# PROPERTY DAMAGE AND BUSINESS INTERRUPTION



## WHAT IS BUSINESS INTERRUPTION INSURANCE?

Business interruption covers you for:

- Loss of income and increased cost of working following an interruption.

In the event of:

- Damage to premises caused by an unexpected event such as fires and floods.

## WHY IS BUSINESS INTERRUPTION INSURANCE IMPORTANT?

Business interruption insurance helps to minimise the disruption caused when you are unable to use your property. It can cover the additional costs incurred in seeking alternative offices or the income ordinarily earned from the affected premises.

## WHAT CAN GO WRONG?

Business interruption insurance would protect your organisation in the following example scenario:



### Premises affected by floods

The premises of a residential care home were in a badly flooded area. The flood caused damage to the property and contents. As a result the organisation had to rent a temporary premises whilst clean-up repairs took place.



## WHAT IS PROPERTY DAMAGE INSURANCE?

Property damage covers you for:

- Buildings
- General contents
- Portable equipment

In the event of:

- Accidental damage, theft and various disasters including fires and floods.

## WHY IS PROPERTY DAMAGE INSURANCE IMPORTANT?

Repairing or replacing damaged property can come at great cost to an organisation. Property damage insurance can protect against such expenses.

## WHAT CAN GO WRONG?

Property damage insurance would protect your organisation in the following example scenario:



### Property affected by leaking pipe

A rehabilitation centre's property was damaged when water escaping from a leaking pipe in a bathroom caused part of the ceiling to collapse. As a result the organisation had to cover the cost of repairs to the property.



## OTHER COVERS TO CONSIDER

### FIDELITY

Fidelity covers you for:

- Loss of money or goods

In the event of:

- Fraudulent acts of employees
- Computer fraud or fraudulent transfer instructions by third parties

Fidelity insurance would protect your organisation in the following scenario:

#### Theft by employee

A support worker was found to have stolen money from a care organisation when they incorrectly transferred money to their own bank account which should have gone to a service provider.



### ENTITY DEFENCE

Entity defence covers you for:

- Legal costs and expenses

In the event of:

- Corporate manslaughter
- Breach of contract
- HSe investigation

Entity defence insurance would protect your organisation in the following scenario:

#### Breach of Environmental Protection Act 1990

An organisation providing care to young people was served a noise abatement order following complaints by neighbours of loud music and noise disturbance which was in breach of the Environmental Protection Act 1990. As a result of the noise abatement notice, Ofsted also investigated the organisation with a view to further enforcing the order.



### CYBER RISKS

Cyber risks covers you for:

- Legal, IT security and regulatory costs

In the event of:

- A cyber attack
- Theft of loss of data
- Network interruption

Cyber risks insurance would protect your organisation in the following scenario:

#### Care home fined for data breach

A care home was fined £15,000 by the ICO for not looking after sensitive personal details in its care. A member of staff took an unencrypted laptop home and the laptop was stolen in a burglary. It contained sensitive personal details relating to 46 staff and 29 residents.



### EMPLOYMENT LAW PROTECTION

Employment law protection covers you for:

- Legal costs and expenses

In the event of:

- An employment dispute

Employment law protection insurance would protect your organisation in the following scenario:

#### Allegation of constructive dismissal

A community support worker claimed constructive dismissal because the organisation allegedly failed to deal with his concerns about his working arrangements, which he says made it impossible for him to continue working. One allegation was that he had not received training in working with paranoid schizophrenics.

