**Insurance**

# **Introduction**

The basic purpose of insurance is to anticipate and minimise risk of losses from circumstances beyond our control.

There are many different types of insurance cover. Some types are mandatory under the law; others, whilst not mandatory, are considered necessary to the point they have become almost ubiquitous. Some can be considered as entirely optional depending on your charity’s attitude to risk, whilst others may be completely irrelevant to your charity.

## Arranging Insurance Cover

Mothers’ Union dioceses in England, Wales or Scotland are able to take part in the policy arranged by the central charity at Mary Sumner House. Mothers’ Union dioceses in the Province of All Ireland must arrange cover directly themselves.

The policy arranged by the central charity has been specially extended to provide cover to dioceses in the majority of areas covered in section 4. By pooling risks across the movement we are generally able to offer insurance to dioceses at a better rate than would be achievable were they acting independently.

The central charity will be in touch with all dioceses who are eligible annually in mid-autumn to establish whether they wish to take part and what their particular needs are. Full details of what is and is not covered under this policy will be provided at the time.

The exact premium recharged will depend on the size of the quote received for Diocesan Insurance, the number of dioceses taking part in the scheme and the particular insurance requirements of each diocese.

It is recommended that dioceses who do not insure via the central charity make use of the services of an insurance broker to assist in determining appropriate cover levels and ensuring a competitive premium rate is achieved. Information about this and the types of insurance required is given in as an appendix at the end of this document.

## Frequently Asked Questions

# Can a charity use its money to buy insurance?

Yes. The law allows trustees to insure any property owned by a charity against the risk of loss or damage and to pay the premiums out of its funds. The Trustee Act also grants trustees the power to take out insurance against potential third party liabilities.

Where trustees have a power or a duty to take out insurance against loss or liability and unreasonably refuse to use it, they may become personally responsible for any resulting loss or liability.

The 1993 Act gives trustees an express power to purchase trustee indemnity insurance and pay the premiums out of their charity's funds.

# How do I know if we are covered?

Your first point of reference should always be your cover certificate and policy wording.

If in doubt always contact MSH (if insuring via the central charity) or your insurer (if insuring directly)

# Who can advise on what insurance a charity should take?

If trustees are thinking about taking out any type of insurance cover apart from that provided through the central charity, they should carefully consider taking proper independent professional advice if they do not have the expertise themselves.

It is usually best to use an insurance broker who has an understanding of charities' insurance needs and who is in a position to place business with any one or more of a range of insurance companies. Charities can also go directly to a specialist charity insurer.

# Can a charity find out what fees and commission an insurance broker gets?

Yes. The Financial Services Authority requires brokers to be open about all fees they charge and any commission they receive.

# Does the central charity make a profit or commission from offering insurance to dioceses?

No. The final quote received from our brokers for diocesan insurance cover is recharged to the penny across the participating dioceses in an open and transparent fashion. The total recharged equals the final quote. No administration fee is charged.

The central charity receives no commission from the insurers or the brokers.

# Do disclaimer notices effectively reduce risk?

The display of a disclaimer notice (often found in cloakrooms and car parks) in respect of injury, damage or loss to any person or property whilst on the premises or making use of the premises, have generally been found to be ineffective at avoiding liability when used in isolation.

Charities will need to take professional advice on the use of disclaimer notices but it is recommended that public liability insurance cover is taken out even when such notices are used.

# Are our events insured?

Events should be carefully planned and each Mothers' Union diocese should ensure it has adequate insurance cover in place to cater for any unforeseen occurrences. Anyone who organises an event has a duty and responsibility to protect the health, safety and welfare of anyone who may be affected by that event.

At the initial stages of planning, a risk assessment of the event should be undertaken. Do not take it for granted that all events are insured and some events could have special requirements that could need additional cover. Follow a pre-prepared list that should include the following (although this is not exhaustive):

* Is the event covered by the existing Mothers' Union insurance or a policy you have arranged directly? If in doubt check with Mary Sumner House or your insurer.
* Who is the event intended for? Undertake a risk assessment of the safety of all possible types of participants.
* Will there be safeguarding issues? If so, DBS checks should be in place.
* Is there a building involved and, if so, is its insurance cover adequate for the event?
* Are there special requirements for the event such as bouncy castles, etc?
* If food is being served, follow food safety standards as stipulated by your local council and the Food Standards Agency.
* Is there adequate lighting for the needs of the event and are all prohibited areas clearly marked and cordoned off?
* Are areas of access clearly marked and is there adequate access for wheel chair users and people with mobility issues?
* Public areas should be free of hazards such as trailing wires and other hazardous objects/conditions.
* If using external contractors/hiring of equipment ensure they hold adequate insurance cover. Do not take their word that cover is in place – the ultimate responsibility for safely rests with the event organisers.
* Identify areas of danger and place clear notices to warn users of these. This will not automatically safeguard against a claim, but will act as a necessary warning.
* Consider any other issues that can have an impact on the smooth running of the event.

# Are we covered when using a private house for Mothers' Union purposes?

When a diocese opts to take part in the insurance organised by the central charity, a private house is generally insured for Mothers' Union activity purposes, provided permission has been granted by the owner and the relevant Mothers' Union diocese. Therefore members do not have to take out extra insurance. However, the owner of the house should inform their home buildings and contents insurers if they are undertaking events in their home.

Mothers' Union insurance does not extend to indemnify the householder/owner for all responsibilities; nor does it extend to cover the home or contents and will only cover for damage as a direct result of using the area for Mothers' Union purposes. Therefore, faulty wiring that caused an electric malfunction, even if it happened during a Mothers' Union meeting, will not be covered by the Mothers' Union policy. Claims against the Mothers' Union insurance are made by the diocese.

If you are running an unusual one off event or activity at a member’s home, please ensure you have checked with Mary Sumner House that there is adequate cover.

If a diocese has insured independently of the central charity then it should check directly with its insurers whether use of the private house is covered.

# Are non-Mothers’ Union events generally covered?

No. If an event has not been organised by Mothers’ Union or a Mothers’ Union diocese then it will not be covered by a Mothers’ Union insurance policy even if Mothers’ Union members participate. However, Mothers’ Union members acting in that capacity should normally be covered by the central public liability insurance policy. Please check if in doubt.

# Are there special rules concerning the provision of food?

From an insurance perspective the only rule is: never provide food, be it for sale or for free unless you have public liability insurance.

For your public liability policy to cover the risks associated with the provision of food you will need to ensure that you meet the minimum standards expected under health and safety legislation and advice, for example Food Hygiene Standards.

# Are there any notable exclusions from the central charity’s insurance policy?

Yes. Motor vehicles are not covered in any way by the policy.

Full details of risks insured and those excluded under the central policy will be provided to dioceses that express an interest in participating in the policy.

# Are insurance policies valid regardless of our conduct?

No. Most policies set out minimum standards of conduct on the part of the insured individual or organisation. Failure to comply with these minimum standards of conduct could invalidate the policy and leave you or your diocese fully exposed to the risk notionally insured. Always read the fine print of any insurance policy.

# How do I make an insurance claim?

For dioceses insured under the central policy, please start by contacting MSH who will then put you in contact with our insurers and brokers.

For dioceses insuring independently, your insurers will set out the claim process on their website or in other materials.

Regardless of which route you have used to obtain insurance, the golden rule is to bring a claim or a potential claim to the attention of the insurer as soon after the event as is practical. Delays in reporting such matters could impact on your right to make a claim or your right to be protected from a claim.

## Further Information and Useful Links

# British Insurance Brokers' Association (BIBA)

The British Insurance Brokers' Association (BIBA) is a general insurance organisation representing the interests of insurance brokers, intermediaries and their customers. Their website enables the general public to search for an insurance broker that is a BIBA member by location and/or by insurance type.

British Insurance Brokers' Association, 8th Floor, John Stow House, 18 Bevis Marks, London EC3A 7JB.

<https://www.biba.org.uk/>

# The Health and Safety Executive (HSE)

The HSE publish a wide variety of publications offering advice and guidance on health and safety issues for workers, managers and the general public. A useful publication is ‘Employers’ Liability (Compulsory Insurance) Act 1969: A guide for employees and their representatives’ [https://www.hse.gov.uk/pubns/hse40.pdf](https://www.hse.gov.uk/pubns/hse40.pdf%20)

Appendix:

Insurance Information for dioceses who wish to arrange their own insurance cover

## I Key Insurance Types

Full details of the various types of insurance available are provided in Section III. The following list is provided as quick summary:

# Compulsory

* Employers’ liability insurance (for charities with employees or volunteers)
* Motor insurance (for charities who own or have use of a vehicle)

# Highly Advisable (if relevant)

Whilst the following insurance types are not explicitly required under the law, the duty of trustees to protect the assets of a charity in practice renders them essential.

* Public liability insurance
* Contents insurance
* Buildings insurance

# Other Types

* Loss of revenue
* Increased costs of working
* Trustee indemnity
* Professional indemnity insurance
* Legal expenses insurance
* Fidelity insurance
* Travel insurance
* Terrorism & violence
* Events insurance

## II Determining Appropriate Cover Levels

You may wish to consider making use of the services of an insurance broker to help determine the appropriate levels of cover.

If determining the appropriate levels of cover without seeking expert advice then the first steps are to:

* identify the risks that need to be covered
* determine whether these risks can be removed or mitigated by other means, such as training, maintenance or repair work
* determine the largest amount of possible loss
* identify any minimum cover requirements set out in law

It is generally sensible to insure for the full potential loss identified. If the risk is considered of low probability then this is generally best factored in by altering the levels of excess (the costs threshold you would need to bear directly).

For contents or other assets, coverage is generally best provided on the basis of full replacement cost without deduction for wear and tear, subject to the terms of the insurance clause. Since replacement costs fluctuate, you should regularly check your insurable values to make sure that you have adequate coverage.

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## III Types of insurance in detail

## Employers' liability insurance

Employers are responsible for the health and safety of their employees while they are at work. Your employees may be injured at work or they, or your former employees, may become ill as a result of their work while in your employment. They might try to claim compensation from you if they believe you are responsible. The Employers’ Liability (Compulsory Insurance) Act 19691 ensures that you have at least a minimum level of insurance cover of £5million against any such claims.

For insurance purposes, charities are advised to treat volunteers in the same way as they do their employees.

It is important for a charity to ensure that volunteers as well as employees receive adequate training, supervision and support, and that their wellbeing and that of people that they come into contact with as part of their role is properly considered. For example, the same health and safety standards should be applied to voluntary workers as they would to employees exposed to the same risks.

The charity (as an employer) must prominently display a certificate showing that a valid policy is in force and the minimum level of cover purchased.

## Motor insurance

If a charity owns or operates motor vehicles, it must comply with the provisions of the Road Traffic Acts. This makes it compulsory to have insurance against third party injury and property damage. If trustees, employees or volunteers are using their own vehicles for the purposes of the charity or on the business of the charity, the charity must make sure that the insurance held by the owner of the vehicle covers such use. Any additional premiums necessary may be met by the charity.

There are special requirements in respect of minibuses used to transport people on a hire or reward basis and the charity's insurers should be able to advise the trustees on these.

## Public liability insurance

This is generally considered essential for charities which own or occupy land or buildings, employ staff or volunteers or perform any activities that might bring it in to contact with third parties including members of the public. It offers legal liability protection:

* Against claims from members of the public for bodily injury/illness, loss or damage to material property incurred on the premises of the charity.
* Against claims arising under the Occupier’s Liability Acts 1957 and 1984 – these Acts place on the occupier of a property a duty of care in respect of visitors to, and trespassers on, their property2.
* Public liability is also necessary for charities which carry on a business activity away from their own premises or arrange events attended by the public. In this way, the charity and its trustees, employees and volunteers would be indemnified against claims from members of the public for bodily injury/illness, loss or damage to material property inflicted in the course of the activity, event or supply. Some leases or contracts that charities may enter into for the use of property may require this type of insurance.
* In the event of a claim exceeding the maximum amount payable under the policy (the 'limit of indemnity'), the trustees might find themselves personally liable for the shortfall. This would be the case if adequate cover was available, but they unreasonably failed to purchase it, having regard to all the circumstances including the nature of the risk and the cost of the cover. There is no statutory minimum level of cover.
* A charity should check any insurance policy to see:
	+ that it definitely includes volunteers
	+ how the term ‘volunteer’ is defined for the purposes of that policy
	+ whether any upper or lower age limits apply
	+ that the policy covers the types of activities that the volunteers will be undertaking.

## Land & Buildings Insurance

Trustees have a duty to protect the assets of their charity. In practice this renders insuring key assets, including land and buildings, essential.

The extent or nature of any insurance bought will depend upon the charity's assessment of the risks it might face because of its ownership or occupation of land or buildings. If the trustees decide that the risks should be managed by buying insurance cover, what will be appropriate will depend on whether the charity is:

* the owner of the freehold
* the lessee
* a freehold owner or lessee who is also a landlord.

# *Owner of the freehold*

If a charity is the freehold owner of a building and insurance is not the responsibility of the lessee or tenant (if any), we recommend that the trustees should normally insure the building for its full reinstatement value, even if there is no actual duty to do so. This means that the sum insured (i.e. the maximum amount that would be paid under the insurance) should be sufficient to meet the cost of:

* any demolition work which might be necessary
* clearing the site
* professional fees (architect, surveyor, etc)
* replacing the building in the same style etc as the original
* complying with any relevant planning requirements or building regulations.

The sum insured is the maximum amount that an insurer will pay under a contract of insurance. The expression is usually used in the context of property and life insurance where (subject to the premium cost) the insured determines the amount of cover to be purchased. This means that it is very important that the sum insured is adequate. If a claim is made and the sum insured is not enough, the insurance company will only pay a proportionate amount of any claim, even if the value of the claim is below the sum insured.

An example might be where a property is insured for £10m but is really worth £15m, a claim for damage to half the property would only pay out up to £5m.

If the trustees ought to have bought more extensive cover, they may be liable to make good the shortfall out of their own pockets. To reduce the risk of a shortfall, we recommend that trustees initially obtain advice from a professionally qualified building surveyor about what the sum insured should be, and the surveyor should be asked to confirm regularly (perhaps every two years) that the current figure is adequate. If it isn't, the trustees should notify the insurer immediately so that an adjustment can be made.

Similarly, if any alterations, improvements or additions are made to the building, a surveyor should confirm the up-to-date overall rebuilding cost (inclusive of professional fees). If this is greater than the sum currently insured, the trustees should notify the insurer immediately so that an adjustment can be made.

Some insurers will provide a valuation service, and some will even provide this service free of charge. If the trustees choose an insurance policy which is index-linked (so that the amount of the insurance is adjusted automatically each year by the insurers to reflect changes in the costs of labour, building materials etc), we still recommend that they check with their surveyor every 3-4 years that the current figure is adequate.

Charities must also inform their insurer or insurance broker if:

* their use of the building changes dramatically
* they are about to undertake any structural building work
* no-one is occupying the building on a regular basis

These recommendations would, in our view, go a long way in protecting trustees against possible liabilities resulting from large fluctuations in the value of property, or the cost of building materials. Changes in property prices and building materials are not necessarily adequately reflected in the retail price index.

Charities can obtain additional insurance to cover a loss of income or additional expense in renting alternative accommodation if the property becomes unusable for a period (due to an insured event such as fire).

# *Charities which are lessees*

Where a charity occupies property under a lease, it is essential that the terms of the lease are checked to see who (the charity as lessee or the landlord) is responsible for insuring the building. In some cases, responsibility for insuring the buildings may, under the terms of the lease, be limited to certain risks such as fire, lightning, earthquake and explosion. If the charity as lessee is responsible for repairs to the building, the trustees may need to consider whether other risks should also be insured against.

If the lease is for only part of a building, the landlord may be liable for the insurance of the building as a whole, but each lessee may be liable to pay to the landlord (in addition to the rent) an appropriate contribution towards the cost of insurance. The amount of the contribution is usually calculated according to an agreed formula laid down in the lease and added to the rent payable by the lessee.

# *Charities which are landlords*

When leases are drawn up the trustees must consider who is responsible for insurance. If the charity is to remain responsible for the buildings insurance (e.g. in the case of multi-occupancy), the trustees need to make sure that the rents agreed reflect this, or that the lease allows the landlord to recharge each of the lessees with an appropriate part of the insurance costs. If the lessee is to be responsible, the trustees must ensure that adequate insurance is held by the lessee. The lease might contain a provision for the charity to be given copies of the buildings insurance documents and to have some control over the level of cover.

## Contents insurance

The duty to protect charity property extends to the contents of a building such as furniture, equipment and cash, and charities should have a suitable policy. Trustees need to consider whether their insurance:

* should be on a 'new for old basis'
* covers loss arising from theft
* needs to include cover for accidental damage
* covers specific items such as computers
* covers money in transit or on the premises where appropriate

'New for old' is the most common form of contents insurance cover. It is important for the charity to make sure that it identifies the current replacement value of an item for insurance purposes. For example, a charity may have been donated a computer or be able to buy one below the current market price, but for insurance purposes it should use the current market replacement value. If it doesn't, the charity would not be fully recompensed for replacing it in the event of a loss.

It is possible for contents insurance policies to include an automatic index-linking facility and the trustees will need to consider whether this is appropriate for their charity.

If a charity lets property, contents insurance is usually the responsibility of the lessee if the contents belong to the lessee. Where a letting is furnished, the charity as landlord will need to ensure either that the lease makes the tenant directly responsible for insurance of the contents, or that the tenant pays, through the rent or service charge, for the insurance which the charity takes out.

For some charities, insurance against the loss or destruction of contents may not be appropriate. This could be because the contents are irreplaceable, such as banners, or because the cost of replacing them would be too high. If the trustees were to meet that cost, they might not be able to undertake their other core activities.

Insurance for irreplaceable items can sometimes be gained on an 'agreed value' basis. Whilst the item itself may be irreplaceable, the insurer can agree a 'replacement value' and any claims payment will be based on this figure and can be used to purchase alternatives.

In addition, insurance cover may be obtainable at a reasonable price against the cost of repairing items which are damaged, or against the cost of investigating theft and of attempting to recover stolen items. Security measures might be reviewed in order to reduce the risk of loss and this might make insurance cover easier to obtain.

We recommend that trustees take professional advice before deciding what would be reasonable in the circumstances and what would be in the interests of their charity.

## Events and appeals insurance

Charities that want to organise fundraising events such as fetes, shows and galas often take out cover against losses arising from cancellation of the event due to bad weather. This is sometimes called 'pluvius insurance'. There are usually strict time limits and arrangements for measuring rainfall levels with this type of insurance. We recommend that trustees wishing to take out this kind of cover should seek professional advice.

Public liability insurance is normally recommended for major events, and advisable for smaller ones too. Some venues will require this type of insurance and will specify a minimum level of cover.

If a charity is conducting an appeal, insurance is available to cover the costs of establishing and administering the appeal in case the response is not as good as expected. It could also be extended to cover loss of cash raised at an event when being carried or kept at the home of a nominated or senior individual of the charity. When proposing a large fundraising appeal, trustees should consider whether this type of policy is appropriate.

## Fidelity insurance

It is possible to obtain cover to make good the loss to the charity arising from fraud or dishonesty on the part of any of its employees where they are handling the charity's cash or other valuables. It may be possible (and advisable) to extend this cover to also include fraud or dishonesty on the part of any of the trustees and/or volunteers. This type of cover (sometimes called 'theft by employee' or 'employee dishonesty' insurance) is not a substitute for sound financial and personnel risk management and is usually provided only if the charity can show that its administrative arrangements are both adequate and properly supervised.

If trustees are advised by their legal or other independent professional advisers that this cover is necessary or desirable, any fear of appearing not to trust their employees must take second place to their duty to protect the charity's assets, resources or reputation.

## Legal expenses insurance

Charities may purchase insurance to indemnify the cost of certain legal expenses which may arise if the charity has to bring or defend legal proceedings and would otherwise be payable by the charity out of its own assets (unless recoverable from the opponent). Where this form of insurance covers the costs of an employment dispute, it usually also covers the charity's liability (as employer) for any specified compensation awarded to the employee. The cover can normally extend to include actions brought against the trustees, employees and volunteers.

Legal expenses insurance is normally bought in the usual way before any dispute or claim has arisen, and limited cover for individuals is sometimes included in a household contents or motor policy at little or no extra cost. It is also possible to buy legal expenses insurance **after** a particular need for legal action has been identified, when the cover will protect the charity's uncertain exposure to costs in dealing with the existing claim or dispute.

# Legal advice helplines

Some legal expenses (and other insurance) policies available to charities include free access to legal advice, usually through a telephone helpline. Such a service can be useful when there is a problem upon which advice is needed urgently before it develops into a possible loss or claim, whether or not covered by any of the charity's insurances.

## Loss of revenue/increased cost of working

Consequential loss insurance can be arranged to cover reductions in a charity's business income and/or increases in its overheads when the business is disrupted as a result of a fire or other event causing damage to its premises and/or equipment. The cover should at least meet the cost of hiring new premises and/or equipment for the duration of any building work or whilst awaiting the replacement of equipment.

## Professional indemnity insurance

Where a charity is providing, whether contractually for a fee or otherwise, a professional service (such as counselling) or any form of advice or information (especially where complex or potentially contentious), the charity may be liable if this is provided negligently or if any advice given in good faith directly causes the other party to suffer a loss.

The charity should consider insurance against claims that the charity is legally liable for loss, injury or damage sustained when that service was provided or as a result of following that advice or using that information.

The terms of such policies should be considered carefully. If (as is common) the policy only covers claims which are **instituted** during the period of cover, regardless of when the allegedly negligent advice was actually given, then the trustees may need to consider setting aside sufficient funds to meet the premiums for a period of several years (in accordance with professional advice) after the advice was given. This period may extend beyond the dissolution of a charity.

Some of the people with whom a charity has contractual relationships, such as accountants, architects and other professionals, will also have professional indemnity insurance. Trustees need to be aware of the fact that professionals are required to take out such cover. If the charity receives very poor service from professionals resulting in additional costs for the charity, then they should consider making a claim against the professional involved.

## Terrorism and political violence

Although all insurers can offer cover against the effects of terrorist activities, it is available as additional cover and no longer included in standard insurance policies. This type of insurance provides an indemnity if insured property is destroyed or damaged due to terrorist acts. This type of insurance could be any kind of guarantee from an insurance company that they will pay out should something be destroyed, damaged or otherwise altered due to terrorist acts. It covers the protection of property as well as protection if a person is kidnapped and ransomed.

## Travel insurance

Trustees, staff and volunteers for many charities will need to travel frequently and charities will need to have a clear policy about what insurance they will provide and when they expect trustees, charity staff or volunteers to provide their own. There is likely to be considerable reputational risk if this is not clearly understood and a claim is to be made against the charity.

Mothers’ Union dioceses often offer holidays under the ‘Away from it All’ Scheme. Cover for these would normally fall under a travel insurance policy.

## Trustee indemnity insurance

Trustee indemnity insurance (TII) covers trustees from having to personally pay legal claims that are made against them (by their charity or by a third party), for a breach of trust, or a breach of duty or negligence committed by them in their capacity as trustees.

The main difference between TII and other types of insurance taken out for the benefit of the charity is that TII directly protects an individual trustee, rather than the charity itself. For that reason, TII is regarded as a form of personal benefit to a trustee and a charity will need a proper legal authority before it can buy it using its own funds. Many charities have long had this type of authority in their governing documents, but if not, s.73F of the 1993 Act now provides a general power to buy TII using charity funds. The cost must be reasonable and trustees must be sure that TII is in the best interests of their charity.

Trustees are free to buy TII out of their own pockets if they wish - this would not require any legal authority.

This means that the only time a charity needs to approach the Commission for authority to buy TII is when the charity's governing document explicitly forbids its purchase and, in our experience, this is extremely rare. The statutory power to take out TII is not excluded by a general prohibition on trustees benefiting from the charity.

Charity trustees can buy TII to cover them against any personal liability in respect of:

* any breach of trust or breach of duty committed by them in their capacity as charity trustees or trustees for the charity, or
* any negligence, default, breach of duty or breach of trust committed by them while acting as directors or officers of the charity (if it is a body corporate) or of any body corporate carrying on any activities on behalf of the charity.

The terms of such insurance must, however, be so framed as to exclude the provision of any indemnity for a person in respect of:

1. any liability incurred by him or her to pay:
	* 1. a fine imposed in criminal proceedings, or
		2. a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising);
2. any liability incurred by him or her in defending any criminal proceedings in which he or she is convicted of an offence arising out of any fraud or dishonesty, or wilful or reckless misconduct, by him or her; or
3. any liability incurred by him or her to the charity that arises out of any conduct which he or she knew (or must reasonably be assumed to have known) was not in the interests of the charity or in the case of which he or she did not care whether it was in the best interests of the charity or not.

Where charity trustees have acted honestly and reasonably, they are in any event entitled to an indemnity from the charity's assets for any liabilities incurred by them as trustees. Insurance of such liabilities will benefit the charity rather than the trustees, although it will also ensure trustees are covered even if the charity does not have sufficient assets to provide the indemnity.

If the charity is a company, or carries out a part of its business through a separate company, the trustees' personal liability for any 'wrongful acts' as company directors or officers (including liability for 'wrongful trading') is similarly covered to the extent it does not fall within (c) above.

1. Employers' Liability (Compulsory Insurance) Act 1969 as amended by the Employers' Liability (Compulsory Insurance) Regulations 1998.

2. Section 2(2) of the 1957 Act provides that 'the common duty of care is a duty to take such care as in all the circumstances of the case is reasonable to see that the visitor will be reasonably safe in using the premises for the purposes for which he is invited or permitted by the occupier to be there'.