INSURANCE COVER

There have been a number of enquiries from Clubs and Areas concerning insurance. The principal questions relate to what is covered, who is covered and why older members are not covered. Ian Machin, my predecessor, wrote a number of times on the matter but it is clearly a subject that requires regular updates and I will attempt to clarify again what is a complicated subject

**Why can NAFAS not advise and arrange?**

Quite simply, it’s the law. In order to advise on or arrange insurance, a company has to be registered with the Financial Conduct Authority as an insurance broker. This is a complicated process and requires the staff involved also to register and hold appropriate qualifications. NAFAS is neither set up to do this nor does it have the staff resources in order to comply.

Many years ago, I understand that NAFAS had an Insurance Officer who provided advice, arranged insurance policies and co-ordinated the NAFAS Group Policy. With the creation of the Financial Services Authority (which has been superseded by the Financial Conduct Authority) it was no longer possible for NAFAS to provide this service and so the responsibility of obtaining insurance was passed to the individual Area and Clubs in 2004. Barfield, who was the broker providing the NAFAS Group Scheme, continued to provide the service to Areas and Clubs and to insure them through a similar arrangement. There are other brokers who provide similar cover and I am happy to provide contact details of these. I cannot advise between the brokers nor any specific advice on insurance matters.

Additionally, the Clubs and Areas that comprise NAFAS are autonomous and independent organisations so NAFAS cannot, unlike for example the WI which has a branch structure, make an arrangement nationally which would cover all constituent parts.

**What insurance cover is provided?**

Most of the schemes offered by the various brokers have two main aspects and possibly a third.

The first and **prime** **insurance** is **public liability**.

This is an essential requirement for any business or organisation, however small. It covers legal liability in respect of:-

1. bodily injury to any person
2. loss or damage to material property not owned by the insured (for which Clubs and Areas insure separately under the policy)

It insures the officers and committee of an Area or Club against accidents at meetings or events and **covers everyone, regardless of age.** All persons are covered i.e. members, visitors and members of the public involved simply because of their proximity to the incident. The same applies to damage to property. The insurance would cover all claims made against the Area or Club by injured parties except for those instances where they, themselves, were to blame.

The second aspect of cover is **personal accident**.

Large numbers of our Clubs are under the impression that this is the main element of cover. It is not, it is just an add-on benefit summarised as follows:-

1. it is optional and only applicable to Areas/Clubs who have it
2. it covers Area/Club officers and committee members whilst on Area/Club business
3. **It is not available to older members as there is an upper age limit commonly 90 years**
4. The insured sums are very modest eg £10,000 for death or total permanent disablement and less for more minor injuries
5. **claims would be applicable only where the individual is himself/herself to blame for the accident – otherwise the individual would make a claim against the Club under the public liability cover.**
6. With regard to e) above, an older member is no more likely to suffer an accident (where no one else is to blame) at a Club meeting than at home or anywhere else

The third element, if the Area or Club buys it, covers property eg trophies, equipment etc from loss or damage. This is likely to be optional and will only apply if the Area or Club specifically request it.

It may help if I try to give an example which is a bit removed from flower arranging. If you were driving your car and another car ran into you, you would claim on the other driver’s insurance for the repairs to your car and any injury caused to you as a result of the crash. This is like Public Liability insurance.

If on the other hand, you were driving along, came off the road and ran into a tree you would claim on your own insurance. This is similar to Personal Accident insurance.

**Why are members over 90 not covered by Personal Accident insurance?**

Put simply, it is because the insurer feels that there is a greater risk of someone of this age having an accident and causing **themselves** harm. As I have explained above, if the accident is due to negligence or carelessness on the part of the Area or Club the claim would be under Public Liability insurance where there is no upper age limit; but if the member causes the accident themselves there would be no claim under the Personal Accident insurance if the member is over 90. Age discrimination legislation does not apply in this case as insurers are able to make exclusions on any grounds as, for example, pre-existing health problems on travel insurance.

I hope that this clarifies the situation.

P. M. Bonter

Company Secretary

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