The Order of Malta Volunteers – Insurance Policy

(registered company no. 09801949, registered charity no. 1164242)

POLICY REFERENCE	
Function	For information and guidance
Status	Approved & issued
Scope	Trustees, OMV Committee, Volunteers
Owner	Adam Fudakowski
Version	1.0
Date approved by board	16th March, 2016
Date for review	16th March, 2017

Introduction

1. According to Charity Commission guidance (CC49), the trustees of a charity have a duty to protect the charity's assets and resources.

2. The Articles of Association of the Order of Malta Volunteers ("the OMV" or "the Charity") give the trustees ("the Trustees") the power to take out insurance.

3. The Charity must publish this Policy on its website.

Definitions

Reserves	The financial endowment of the OMV.
Volunteer	Any person who attends a designated OMV activity in a voluntary capacity.

The nature of the insured risks

4. The assets of the Charity are mostly financial in nature and are in large part represented by its Reserves. The trustees of the Charity ("the Trustees") meet their duty to protect the Reserves in the first instance by ensuring that they are managed appropriately in accordance with the Charity's Investments Policy. Nevertheless, the Trustees should also take reasonable steps to protect the Reserves against claims arising from the Charity's activities. This should be achieved both by mitigating risks in an appropriate manner in accordance with the Charity's risk management policies and procedures and by taking out appropriate insurance.

5. The Trustees should ensure that the Charity has in place insurance cover that is appropriate to the nature and scale of its activities. Although the Charity does not employ staff directly, its Volunteers may in certain circumstances be construed as employees; and appropriate insurance should be put in place (Note 1).

6. In any case, given that its activities bring volunteers into contact with both vulnerable people and the general public, the Charity must take out insurance for public liability insurance and third party liability. Consideration should also be given to taking out other types of insurance, e.g. travel insurance and fidelity insurance, as appropriate.

7. As foreseen by its Articles of Association, the Charity must take out indemnity insurance (Note 2) on behalf of its Trustees. Such insurance will be construed as a personal benefit.

Use of third-party experts

8. In the absence of relevant insurance expertise among their number, the Trustees may use third-party experts to help them arrange insurance cover (for example, an insurance broker). As in all areas of expenditure, the Trustees are expected to obtain value for money.

Risk management

9. Please refer to the separate Risk Management Policy, which will be reviewed annually.

Review

10. The Policy owner must keep up to date with relevant legislation and Charity Commission guidance and update this Policy whenever necessary. The Board of Trustees must approve the revised version.

11. The Policy owner must review the Policy at the end of October each year and either submit a revised policy for approval by the Board of Trustees or confirm in writing to the Chairman of Trustees that the current version of this Policy is still fit for purpose.

12. The Board of Trustees must formally review and re-approve this Policy every five years.

Notes:

Note 1: "Under the law, all employers are required to have a minimum insurance cover of £5 million for injury or disease suffered or contracted by regular employees while carrying out their duties." [CC49]

Note 2: "Trustee indemnity insurance ("TII") covers trustees from having to pay personally legal claims that are made against them (by their charity or by a third party) arising from a breach of trust or a breach of duty or from 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 such insurance using its own funds. Many charities have long had this type of authority in their governing documents. If a charity does not have such authority, s.189 of the Charities 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." [CC49]