

Making sure your village hall has the right insurance

The right insurance will protect your village hall and give your committee the peace of mind of knowing that cover is in place if something goes wrong. In this factsheet we'll introduce the types of insurance available and help you decide how much cover you need.

Why have village hall insurance?

Village hall insurance protects your committee by, essentially, returning you to the position you were in before the accident or loss.

When it comes to insurance, there are two types of loss:

- 1 Your (the committee's) own loss – this will mainly involve assets such as property.
- 2 Third party loss – this is loss or damage to other people caused by, for example, your negligence. For instance – a visitor to the village hall who trips on a protruding floor tile suffering a broken arm and resulting in loss of income (unable to work). If it is established that the village hall committee were negligent in not maintaining the floor in a safe condition, the committee becomes legally liable to compensate the visitor for loss of income and other costs/expenses.

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Where there's responsibility, there's potentially a legal liability – when things go wrong and it is shown that your committee did not act responsibly, the committee could be liable to compensate the 'injured party'. As in the above example, if you do not maintain the property, its equipment and the area around your village hall to a reasonable standard you are potentially liable for accidents and losses that happen as a result. Slates falling off poorly maintained roofs are another example.

The right cover in five easy steps

How do you know if you have the right levels of insurance cover for your village hall, and that your important assets are covered? The following five questions will help you decide whether you have the right cover in place.

- 1 What are the worst things that can go wrong for your village hall?
- 2 Can you insure against these risks?
- 3 What does your village hall need to protect that it can insure?

Examples could include:

- the contents of your village hall (such as tables, chairs overhead projectors, computers, audiovisual equipment and bar stock)
 - property outside (such as play equipment, artificial playing surfaces and notice boards)
 - property used away from the premises (such as bouncy castles and overhead projectors)
 - money (cash, cheques, etc) held in a variety of situations.
 - activities in addition to running a village hall – special events, clubs, and so on
- 4 Have you provided your insurer with a complete list of these assets and activities, along with the assessment of the risks your village hall faces?
 - 5 How much can you comfortably allocate to protection? Is it worth spending this money to cover the potential risks?

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Village Halls Plus
Group on
0845 478 6386

Types of cover

Once you've identified the assets and risks that need covering, you'll need to find the appropriate insurance cover. To help you do this here are some brief descriptions of the most common types of cover available.

Buildings and contents

As its name suggests, this protects your village hall and its contents from a variety of risks typically including fire, flood and malicious damage among others.

You have a responsibility to make sure the property is insured for its correct value – whilst we will index link for buildings inflation this is no guarantee that the sums insured are adequate.

You should also carry out an annual review of your contents to take account of inflation, anything new and anything disposed of.

'All Risks'

This provides a comprehensive cover under the policy with Zurich, usually for specific items such as audiovisual equipment, and often to cover property in the open or used away from the premises.

Fidelity guarantee

This provides cover against fraud or dishonesty of trustees and employees.

Public liability

This covers your legal liability to compensate people or organisations suffering loss or injury as a result of your committee's negligence. Examples have been referred to above. Zurich's provides a limit of indemnity of £6,000,000 for the village hall scheme.

Hirers' liability

This provides public liability cover for individuals and ad hoc community organisations while they are hiring your hall. Many halls choose to take out this cover as it is an economic way to provide insurance to those that would otherwise find it difficult to arrange public liability cover – avoiding the potential for uninsured losses.

Trustees indemnity

This type of cover has recently come to the fore through committee members' concerns about being personally sued as charity trustees. If trustees act responsibly then they should not be liable to claims against them, however this insurance can give additional peace of mind by protecting them personally against legal claims (maladministration).

Employers' liability

If your committee employs staff it is legally required to have employers' liability insurance to protect against any claims from employees, for injury, disease, illness (including death). A committee may be an unwitting employer in law – for instance a volunteer who regularly cleans the hall and receives an honorarium or allowance for 'expenses' may technically be an employee. Taking out employers' liability insurance gives protection against that possibility.

Libel and slander

This insurance can protect you and your village hall against compensation claims for defamation, which might arise as a result of public meetings, public statements or speeches, and newsletters. An example of this could be where the village hall committee is campaigning for funds for an extension to the hall, and holds a public meeting to gather support. The secretary of the committee rashly makes a public statement besmirching the good name of the council's finance committee chairman, which is reported in the press. The council's finance committee chairman responds by suing the secretary for defamation of character. If the courts decided in favour of the claimant, the compensation award and costs would be met by the libel and slander insurance (subject to limit and excess).

Money insurance

This covers cash and cheques in your custody, left on the premises and during transit. You may keep some cash at the village hall, and inevitably cash is moved around during and after events.

Business interruption

Does your village hall depend on hiring fees for its survival? If so, your committee may wish to consider business interruption insurance. This would cover your revenue loss if your hall is damaged by an insured peril under the Material Damage cover for the building. The sum insured needs to reflect the revenue over the indemnity period, that is the period it could possibly take to reinstate the premises. Additional expenses (another business interruption cover) may be applicable if your premises are used as offices.

Personal accident

This cover entitles the committee to claim a fixed benefit where individuals (for example, staff, committee members or volunteers) are disabled due to an accident or assault sustained during their 'work'.

Other types of insurance appropriate to some village halls include:

- Terrorism
- Employment practices liability
- Motor
- Inspection of play equipment (service rather than insurance)
- Cancellation and abandonment (special events).

Find out more

If you'd like to find out more about village hall insurance, please:

- read the rest of the factsheets available in this series
- call the Village Halls Plus Group on **0845 478 6386** to discuss your insurance needs and request a copy of our 'Making insurance simple' and 'Making risk management simple' guides.



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