

# Protecting village hall trustees

The members of the committee accept responsibility for, and are therefore liable for, the proper running of your village hall. In this factsheet we'll look at the ways you can use insurance to reassure and protect your village hall's trustees.

## Why are trustees concerned?

Trustees are commonly concerned about potential claims against them. Though claims involving financial loss, serious injury or death are very rare, they may involve substantial costs and may be made against the trustees as individuals.

Trustees are often volunteers who offer time and expertise without reward. Therefore they may not offer their services unless they are protected against legal actions taken against them. So let's look at the different covers offered by public liability (third-party) insurance and trustees' indemnity insurance and how they can protect trustees.

The right insurance can give your village hall's trustees valuable financial protection and extra piece of mind.

## Public liability insurance

If despite all the committee's best efforts there is still some accident resulting in injury, loss or damage to property or financial loss to a third party, public liability insurance can provide cover against resulting claims. This is the case whether the claim is made against the village hall as a legal entity or against its trustees, employees or volunteers.

Public liability insurance will indemnify the village hall committee if they are legally liable for the accident – for example, if the accident happened because of a lack of:

- maintenance
- regular inspection procedures
- suitable supervision.

Sometimes accidents happen and there is no legal liability – if, for example, there has been adequate maintenance, inspection or supervision. In such cases the public liability policy would not pay out as there is no legal liability and claims made by third parties would not be successful in a court of law.

## Trustees' indemnity insurance

The role of trustees' indemnity insurance is to cover financial losses to third parties caused by trustees who have not carried out their duties properly.

Despite the trustees' best endeavours they may fail to live up to their full responsibilities, resulting in maladministration and a financial loss to a third party. In this case the third party could bring a claim against the village hall as a legal entity or against the trustees themselves.

Maladministration is described as "any actual or alleged breach of duty, breach of trust, breach of contract, breach of warranty of authority, neglect, error, misstatement, misleading statement, wrongful trading or any other wrongful acts or omissions committed or attempted by a trustee while acting in their capacity on behalf of the village hall committee".

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Trustees' indemnity insurance would not cover:

- criminal or malicious acts or omissions
- trading where the trustee knew, or ought to have known the village hall was insolvent
- trustees gaining personal profit or advantage
- other incidents which are likely to be insured elsewhere.

A village hall committee with representatives from a parish or other council may be required to take out trustees' indemnity insurance as the trustees would not be covered elsewhere for their village hall duties.

## Does your hall need public liability cover and trustees' indemnity insurance?

If you consider:

- the range of functions you hold
- the variety of age groups and abilities of hall visitors
- the types of activities they engage in
- the difficulty of controlling exactly what is happening in your hall at any one time
- the potentially dangerous equipment stored or brought onto hall premises

then the overall risk of a significant claim at some time in the life of the hall is not insignificant. You therefore need to take reasonable measures to reduce the likelihood of claims and/or enable you to defend any that do arise.

### 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 – 'Making sure your village hall has the right insurance', 'The benefits of managing risk' and 'Organising a safe event'.
- 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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