

Insurance Handbook

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1. Introduction

This document is designed to provide information on the types of insurance cover in place and where NERC has a policy of self-insurance. Up to date information & policy documents can be found in the NERC Risk Management iShare site for insurance:

<https://ishare.apps.nerc.ac.uk/intranets/intranet/legreg/risk/insurance/Pages/index.aspx>

2. NERC's delegated authority to insure

The Government primarily operates a policy of self-insurance; however there are some limited circumstances in which it is appropriate for public sector organisations to place insurance cover.

These circumstances are where there is a:

1. legal obligation, for example where the Road Traffic Acts applies; or
2. requirement to safe guard public funds during wider markets activities.

NERC maintains certain insurances specifically to cover the public and products liability risks and the professional indemnity liability risks we are exposed to during 'wider market activities'. We are also legally obliged to take out a motor policy to cover the ownership of NERC's fleet vehicles.

All other insurance policies held by NERC have been approved by BIS.

Insurance policies taken out by NERC, but not referenced in this document are:

1. Protection & indemnity insurance for all four of NERC's Research Vessels - 3rd party only
2. Hull & machinery insurance for the Ernest Shackleton (condition of lease)
3. Aircraft Liability for NERC aircraft - 3rd party only
4. Loss of Licence cover for NERC pilots

3. What is self-insurance?

The government has opted to retain some of its potential financial risks, rather than opting to spend additional sums of money on multiple, costly insurance policies. This means that where we do not have an insurance policy in place, any claims/expenditure incurred would be met from Science Budget funds.

Over the whole of government, this makes a substantial saving for the tax payer. For NERC, this means that all buildings & contents, employers liability, scientific equipment & Science Budget research work is largely self-insured. There are some cases where we have been able to extend existing cover for commercial activity to cover some science budget work (at little or no extra cost) or a third party insurance has been taken out with NERC named as a co-beneficiary. Where special conditions apply, these will be highlighted in the relevant sections within this handbook.

4. Summary of NERC insurance arrangements

The table below outlines which areas are covered by insurance policies and which are covered by NERC's self-insurance arrangements.

Type of Cover	Type of Cover	Additional Information/Exceptions
Employer's Liability	Self-Insure	As a NDPB, NERC holds an exemption certificate.
Buildings & Contents	Self-Insure	There may be some cover placed where NERC lease premises and there is a contractual requirement to carry commercial insurance or where NERC is collaborating in ventures with third parties and can be named as joint insured under their policies.
Services & facilities	Self-Insure	
Scientific equipment	Self-Insure	Unless being used for commercial work where costs will be charged to customer.
Equipment hired or borrowed	Self-Insure	Unless as a condition of hire.
Personal accident	Self-Insure	Apart from cover afforded to drivers as an extension of our travel cover.
Personal effects	Self-Insure	Other than those taken overseas and included as an extension of our travel cover.
Professional Indemnity	Insured	Commercial work only.
Public & Product Liability	Insured	Commercial work only.
Overseas business travel	Insured	
Motor vehicles & hire cars	Insured	<u>Only applicable to UK registered vehicles</u> Third party - NERC owned vehicles Fully comprehensively - Lease hires

For a summary of the current insurance policies in place and their associated documents, visit the Insurance iShare page within the Risk Management section:

<https://ishare.apps.nerc.ac.uk/intranets/intranet/legreg/risk/insurance/Pages/index.aspx>

5. Details of self-insurance & exemptions

5.1 Employer's liability

NERC is exempt from the provisions of the Employers Liability Act 1998, which requires every employer to insure against liability for bodily injury or disease sustained by employees, and arising out of, and in the course of, their employment.

As NERC is exempt, we bear our own risks in this respect. If employees can prove that their injury is wholly or partly caused through the negligence of NERC, or by a breach of statutory duty, they will be entitled to claim damages from NERC. NERC will normally seek legal advice on the merits of any claim made against it, and if necessary on the quantum and terms of any compensation payment, unless of course this is decided through a Court act.

In the event that you are requested to provide evidence of insurance for Employers Liability by a collaborator or customer, an indemnity statement that acts as an alternative to a formal insurance policy can be provided. Please see the Risk Management area of iShare for the [Employers Liability exemption certificate](#).

5.1.1 Volunteers

In addition to clearly defined working activities, scientists who do fieldwork are sometimes asked to lead parties which include students, members of amateur societies or members of the public. Such requests are invariably connected with the scientist's work. Leading an officially-organised fieldwork party (i.e. one which has the approval of line managers) is therefore regarded as official duty, even if the participants are not NERC employees.

NERC has a duty of care under Part 1, section 3(1) of the **Health and Safety at Work Act 1974**:

"It shall be the duty of every employer to conduct his undertaking in such a way as to ensure, so far as is reasonably practicable, that persons not in his employment who may be affected thereby are not thereby exposed to risks to their health or safety."

The party leader also has a personal duty of care under the Act, but in practical terms it is limited to using reasonable skill and care in looking after party members.

Failure to discharge any of these duties is a criminal offence and can lead to prosecution.

Under civil law, NERC has a duty of care because it is agreeing to one of its employees taking charge of the party. The party leader also has a duty to take reasonable care for the health and safety of party members. Whilst it is unlikely that anyone in the party who is injured would sue for damages, given that they are taking part in what, for them, is a voluntary or leisure activity, NERC and/or the party leader could be held liable if it could be demonstrated that they had acted negligently. An injured person would be more likely to sue NERC than the leader, given that NERC has greater resources.

NERC will meet any legal costs - including the costs of any award - arising from an action against a party leader who had the prior approval of their line manager to engage in the activity. Party

leaders should, however, remember that because they are deemed to be engaged in an official activity, they can be liable for disciplinary action if they fail to carry out their responsibilities or act without due care.

Party members also have a duty to take care for their own safety and that of other party members.

We need to show that NERC and the party leader have demonstrated a commitment to the duty of care, ie that all reasonable steps have been taken to ensure the safety of participants. A simple way to demonstrate this commitment, both for the organisation and the individual, is to provide written instructions for party members requiring them to obey the reasonable orders of the party leader for their own safety. An example instructions form (LFPI) can be found in the Knowledge Base or provided by the UK SBS.

When individuals who are not members of staff are voluntarily taking part in an officially organised activity, they should be required to sign an indemnity, limiting or excluding NERC's liability in the event of an accident. This is available from retained HR. This indemnity is repeated in the instructions to party members, referred to above. It should, however, be remembered that such indemnities cannot be relied upon in law if there is evidence of negligence, and they are negative in tone. The safety instructions mentioned above are provided to ensure a positive approach and impression.

For volunteers working overseas, advice should be sought from the NERC Risk & Assurance Manager.

5.2 Buildings & contents

NERC generally self-insures the risks covered by buildings and contents insurance relating to the premises owned. The exceptions are where premises are leased and there is a contractual requirement to carry commercial insurance; or where NERC's self-insurance practice differs from that of collaborators in ventures such as FAAM and NOCS. In such circumstances, NERC is noted as joint insured under policies arranged by the collaborator.

5.3 Services & facilities

Research Centre scientific equipment is not insured, unless specific arrangements have been made for the transport of a large piece of equipment.

Customers awarded free access to equipment owned by NERC Services and Facilities are not formally required to indemnify NERC against loss of, or damage to, its equipment. However, they should be made aware that they remain liable for the total costs of replacing or repairing such equipment lost or damaged whilst in their care.

NERC staff and visitors are expected to take all reasonable steps to protect the assets of the Research Centre.

All external users of equipment are required to sign a form on which their institution acknowledges receipt of the equipment in good condition and agrees to exercise due care and attention while in possession of the equipment. External users of Research Centre owned equipment should always

be required to indemnify NERC against the loss/damage of the equipment loaned and any third party damage that the operation of the equipment may cause.

The Research Facilities Indemnity Guide can be found [here](#).

5.4 Scientific equipment used for commercial work

Significant items of NERC owned equipment used for commercial work must be insured against loss or damage whilst being used in support of the contract work. The insurance costs should be covered by the customer.

Office and non-specialist equipment used to support commercial work doesn't have to be insured, as the cost of using this type of equipment is recovered via the overhead charges to customers.

5.5 Equipment hired or borrowed by NERC

Where insurance is a condition of hire, policies can be placed. However, if the owner of the equipment is willing to accept NERC's policy on self-insurance, the hiring of the equipment will be an uninsured risk. The cost of replacing or repairing the equipment will be met from Science Budget funds.

5.6 Life & personal accident cover

Cover is provided through the Injury Benefit provisions of the Research Councils Pension Scheme. All staff are covered, including those who have opted out of the scheme and those on casual appointments.

If staff are injured, or contract a disease in the course of their official duties, and as a result their earning capacity is reduced, or they are retired prematurely, they may be eligible for special injury compensation benefits. These benefits consist of annual allowances, and/or lump sum payments, and the amount payable depends on the degree of impairment, or earning capacity, length of reckonable service and pensionable pay. Account is also taken of the amount of any pay or pension benefits (including some NI Benefits) that may also be payable, and any damages awarded or recovered.

5.7 Loss or damage to personal effects - in the UK

Staff may be compensated, at NERC discretion, for any loss or damage to their personal property which occurs whilst they are on official duty in the UK.

Compensation will not be paid if

1. the loss or damage is covered by another insurance (such as home contents insurance) or there are provisions for a free replacement;
2. personal money or luxury items are being claimed.

The amount of compensation payable is normally calculated as the current cost of replacing the articles, less an amount for depreciation, or, if less, the full cost of repairs. It is not on the basis of new for old.

When travelling overseas on official duty the loss of essential personal effects and money is covered by the NERC business travel policy.

6. Details of insurance policies & cover

6.1 Professional indemnity - commercial activity only

This insurance covers NERC in the event that a customer claims to have suffered a loss as a result of our professional negligence.

If a claim for professional negligence arises resulting from work carried out by a member of NERC staff in the course of their employment then NERC will be responsible for meeting any resulting costs whether the claim is made against NERC or against the individual.

As a general rule, Research Centres should be aiming, where possible, to limit liability for professional indemnity risks to the value of the contract, or the maximum policy cover of £10m.

6.2 Public & product liability - commercial activity only

This insurance is designed to cover legal liabilities to pay compensation in respect of bodily injury to third parties and/or damage to third party property resulting from an accident happening during the course of conducting business activities when individuals are acting in the course of their employment.

6.3 Events

The NERC public and products liability policy has been extended to include (at no additional cost) public liability cover for a limited number of public events hosted by Research Centres (eg open days) and to cover Research Centres' participation in a limited number of external events. This cover applies as long as details of the event are lodged with the underwriter in advance. Please contact Mark Perich at Marsh Ltd if you require this cover.

6.4 Overseas business travel

6.4.1 All staff & students

NERC operates all over the world and quite often staff travel to remote areas. As a duty of care, NERC has taken out insurance to protect their staff while overseas. This cover provides a wide range of benefits for all staff travelling on NERC business. This policy does not cover holidays taken at the beginning, end of, or during a business trip. Staff are advised to make their own arrangements in these circumstances.

Part of the benefits of this policy provide cover to ensure staff will not be left out of pocket for the theft, loss or damage of any personal items reasonably required for the trip, provided that negligence has not contributed to the loss. Please note that all personal items that any member of staff elects to carry with them which are beyond what is reasonably required to undertake the project work is not NERC's responsibility.

6.4.2 Travel to areas of unrest

It is a condition of the policy that the Insurer is notified in advance of any planned travel to areas of unrest, or any country, or area within a country, which the Foreign and Commonwealth Office is advising against travelling to. Current advice can be obtained on the Foreign and Commonwealth Office website: www.fco.gov.uk

6.4.3 Other general conditions of cover

The following are not generally covered by NERC's business travel insurance:

- travelling against medical advice or to obtain treatment;
- pre-existing conditions unless queried with and agreed by insurers in advance of the trip;
- committing or attempting to commit suicide;
- expenses incurred as a result of pregnancy or childbirth within two months of expected date of delivery;
- engaging in aviation other than as a passenger (but cover is provided when on the ground)
- dental or optical expenses other than as an emergency;
- losses not reported to the police (losses should be reported to the police when/where possible to do so);
- dependents accompanying a member of staff overseas;
- medical expenses incurred in normal country of residence.

6.4.4 Help while abroad

As part of our travel cover, emergency assistance can be accessed by all staff, 24 hours a day, wherever you are in the world. The emergency assistance line is currently:

+44(0)1273 401 950

Access further information regarding help while abroad can be found [here](#).

6.4.5 Travel expense claims

Claim forms for use in connection with the Business Travel insurance policy can be obtained from local Research Centre Personnel Sections, who will then process these claims with the insurers.

6.5 Motor insurance

The cover provided in the UK under NERC's motor insurance policy is as follows:

- NERC owned, UK registered vehicles - Third party cover (the minimum required by law) both in the UK and overseas;
- Temporary hired, UK registered vehicles - Comprehensive cover both in the UK and overseas.
- Any vehicle not registered in the UK, whether NERC owned or hired - No cover. Insurance should be sorted locally or obtained from the hire company.

6.5.1 Other general conditions of cover

The use of official vehicles is strictly limited to Research Centre related business.

NERC accepts a certain amount of 'social mileage' whilst away from home on detached duty as long as it is kept to a minimum.

Drivers of cars must present their driving licence to the Research Centre's Personnel Section or Transport Officer before they first use an official vehicle. The licence should be re-presented whenever any changes occur. In particular, endorsements must be declared at the earliest opportunity.

6.5.2 Vehicles hired for longer than 14 days

There is a legal requirement to add extended vehicle hires (defined as those > 14days) to the Motor Insurance Database (MID). If you intend to hire a vehicle for longer than 14 days, please contact your local motor insurance rep who will arrange for this to be done.

Details to be recorded in respect of all >14 day hires are as follows:

- name of the driver;
- make/model of vehicle;
- vehicle registration number;
- duration of hire.

All details of these hires should be sent to the NERC Risk & Assurance Manager.

6.5.3 Driver & passenger personal accident cover

All passengers are covered by the 3rd party provisions of the NERC insurance policy irrespective of whether or not they are NERC employees. Drivers are covered by a separate Personal Accident policy, which has been added to our Travel cover for this reason.

6.5.4 Accidents

All accidents involving official vehicles, regardless of circumstances, must be reported to the Research Centre's Personnel Section or Transport Officer without delay. The Research Centre's Personnel Section or Transport Officer will provide an accident report form that should be completed promptly by the person who was driving the vehicle involved in the accident. The Transport Officer will process the claim accordingly.

6.5.5 Use of private vehicles

If a privately owned vehicle is going to be used for business purposes, the following requirements must be met

- The vehicle must be specifically covered for business use and be in a roadworthy condition;
- individuals must be insured against claims in respect of:
 - bodily injury to or death of third parties (without financial limit)
 - bodily injury to or death of any passenger (without financial limit)
 - damage to the property of third parties
- An insurance undertaking form confirming that the above conditions have been satisfied should be completed and passed to the Research Centre Personnel Section or Transport Officer.

Annex A - Frequently asked questions

Question	Answer
Motor Insurance	
Who is covered by the NERC motor insurance?	Any person, provided that the person driving holds a licence to drive the vehicle, or has held and is not disqualified from holding or obtaining such a licence, and is driving on the Policyholder's order or with his permission.
Who deals with motor claims?	All motor claim queries should be directed to your local Transport Officer.
Am I covered on the NERC motor insurance if I have diabetes?	As long as you are still able to drive and hold a valid driver's licence.
What do I do if I have points on my license?	Notify your local Transport Officer and share your driving record. Just go to GOV.UK and search for 'view driving licence'. You can view your information electronically and generate a check code which you can then share with people who need to see your details (such as an employer or car hire company). If you want to, you can also download and print a summary.
What happens if I was banned from driving but my license is now reinstated?	Our insurance Broker will want to see that your license has been reinstated, a copy of the details should be sent to the Broker via the local Transport Officer.
If I have an accident and claim on the NERC insurance, do I have to disclose this to my own insurance company?	Advice on this can be found in the Risk Management iShare page for insurance .

Travel Insurance	
Who is covered by the NERC travel insurance?	All Directors, Principles & Employees of the policy holder and visiting students whilst working on behalf of the insured and their accompanying spouse/partner and or children.
What is covered?	Details of the policy cover can be found here .
Who deals with travel claims?	Contact your local HR department for all travel insurance related claims.
What do I do in the event of an emergency whilst abroad?	Call +44(0)1273 401 950 for 24 hours support. Further information on emergency support can be found in the Risk Management iShare page for insurance .
Am I still covered if I am travelling and my stay lasts over a weekend?	Yes, provided you are not going to be doing anything you wouldn't normally do whilst at home.
I would like to spend a few days of annual leave at the end of my trip; does the company insurance cover this?	No, any annual leave taken at the beginning, middle or end of an official business trip should be covered by a personal insurance policy.

Annex B - Motor insurance process

This process is for claims made against NERC when hiring Enterprise vehicles. All other claims should be directed to your local Transport Officer.

Process for Damage to Enterprise Vehicles



*The total cost of damage alone should come to more than £250; our insurance policy does not cover additional costs levied by Enterprise due to 'loss of use' etc.

Annex C - Travel insurance claim process

