

Dóchas NGO Risk & Insurance Check List

January 2007

NB: This list is meant to be indicative, and does not claim to be exhaustive.
Dóchas accepts no liability in relation to the use or interpretation of this list.

| Risk Exposure | Does this risk apply to us? | Is Insurance Required? | To what extent does existing insurance cover this? |
|--|-----------------------------|------------------------|--|
| 1. Property Damage/Loss | | | |
| <ul style="list-style-type: none"> • Buildings (owned) • Machinery & Equipment • Sprinkler Leakage • Stock | | | |

Issues:

Need to cover for reinstatement cost of buildings.
Cover for glass breakage/temporary boarding up.
Check exclusions for subsidence/terrorism.
Ensure landlord has buildings cover when you lease.
Seek affordable excesses.

| Risk | Risk | Insurance | Cover |
|---|------|-----------|-------|
| 2. Business Interruption (from property damage/loss) | | | |
| <ul style="list-style-type: none"> • General Interruption (fire, smoke, flooding, collapse, etc) • Theft with forcible/violent entry/exit • Sprinkler Leakage • Increased cost of working for an indemnity period • Loss of donations/other income | | | |

Issues:

Indemnity period should be realistic.
Income interruption cover may be of similar duration.
Check exclusions for subsidence/terrorism.
Seek affordable excesses.

| Risk | Risk | Insurance | Cover |
|---|------|-----------|-------|
| 3. Theft/Loss of Money | | | |
| <ul style="list-style-type: none"> • Cash in transit • Cash on premises in business hours • Cash on premises, unlocked after business hours • Cash in bank night safe • Cheques, bank drafts, etc • Cash in own safes/strongroom • Cash with collectors/volunteers • Cash in fundraising caravans, etc • Cash in staff residences • Robbery-associated damage to personal effects | | | |
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Issues

Clarify requirements for number of custodians when cash is in transit.
 Ensure cover extends to personal accident assault and temporary disablement arising from an incident.

| Risk | Risk | Insurance | Cover |
|--|------|-----------|-------|
| 4. Computer Equipment | | | |
| <ul style="list-style-type: none"> • Loss/damage to computers, including laptops, data carrying media, and cost of reinstatement of data • Increased cost of working due to interruption | | | |
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Issues

Include some cover for personal equipment, for a specific number of overseas trips per annum.
 Ensure that all items insured are the subject of maintenance agreements with suppliers.
 Ensure that business interruption period covered is adequate.

| Risk | Risk | Insurance | Cover |
|--|------|-----------|-------|
| 5. Cyber Liability | | | |
| <ul style="list-style-type: none"> • Exposure of an organisation's computer systems, website and email to financial loss from hacking or a virus attack • Exposure to third party claims as a result of employee computer fraud, email defamation or breaches of the Data Protection Acts • Exposure due to inaccurate information on the organisation's website. | | | |
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Not generally sought by charities, but is perceived as filling an emerging need

| Risk | Risk | Insurance | Cover |
|---|------|-----------|-------|
| 6. Employers' Liability | | | |
| <ul style="list-style-type: none"> Accidental bodily injury or disease sustained by employees arising from, or in connection with, the business of the employer. Such cover does not extend to overseas locally employed indigenous staff. | | | |

Issues

Ensure cover applies to personnel on work experience programmes. If an organisation engages volunteers within its offices as a regular feature, care should be taken to ensure that these are accounted for in the cover sought. Include all overseas expatriate staff and volunteers.

While cover for overseas expatriate staff/volunteers should be routinely covered, ensure that bodily injury cover for these staff is covered separately under Personal Accident policy.

Ensure cover is adequate for a major tragedy.

Understand the limitations to cover in cases of war/terrorism. While injuries/sickness arising from kidnap/ransom are deemed to fit within this Policy (except where more appropriate to Personal Accident Cover) the organisation should ensure that this is clear in the Policy.

Ensure that Employers Liability Excess Cover is secured to cover exceptional cases.

Death and Disability cover for all staff, including those posted to overseas countries, will ensure that all staff are covered for death and disability, including from natural causes. Such cover should be separately provided for in conjunction with the organisation's pension scheme arrangements; cover should be provided whether the persons are pension scheme members or not.

| Risk | Risk | Insurance | Cover |
|---|------|-----------|-------|
| 7. Employment Practices Liability | | | |
| <ul style="list-style-type: none"> Claims due to any of the following alleged organisational practices: unfair dismissal, discrimination, sexual harassment, bullying, failure to offer equal terms of employment, working conditions or treatment, failure to employ or promote, and defamation | | | |

Issues

Organisation must have up to date functioning HR policies and procedures.

Is usually introduced to enhance the Employer Liability policy.

Not a pressing need for many organisations.

| Risk | Risk | Insurance | Cover |
|---|------|-----------|-------|
| 8. Public Liability | | | |
| <ul style="list-style-type: none"> Damages due to accidental bodily injury, and/or property damage, to third parties, including legal costs and expenses | | | |

Issues:

May need to cover for "product liability" in cases where the organisation provides food or other products to its clients or associates. Such cover normally is confined within EU.

Ensure that a Public Liability Excess Cover exists for exceptional circumstances (applying also to "product liability" where appropriate)

In cases where fundraising events are a feature of an organisation, planned events should be listed for inclusion under this policy. In many cases, impromptu fundraising events will be devised, often with other parties. In each case, care must be taken to ensure that the organisation ensures that the chosen venue has public liability cover for such an event. Where possible, the venue provider should confirm that such insurance exists; where it does not exist the organisation must seek specific cover from its own insurers, or cancel the proposed event.

| Risk | Risk | Insurance | Cover |
|--|------|-----------|-------|
| 9. Professional Indemnity Insurance | | | |
| <ul style="list-style-type: none"> Damages, costs and expenses in respect of claims made against the organisation for financial loss incurred by third parties due to any negligent act, error, or omission in connection with the provision of advice or services given for a fee. | | | |

Issues

To date, this type of exposure has only arisen rarely in the NGO sector. However, claims of this nature can be expected to increase in the future.

| Risk | Risk | Insurance | Cover |
|--|------|-----------|-------|
| 10. Motor Vehicle Policy | | | |
| <ul style="list-style-type: none"> Private organisational vehicles, except those owned by, or hired to, or on loan to employees | | | |

Issues

Ensure that comprehensive cover is offered

Agree driver age limits to suit the realities of the use. Where vehicles are used overseas, the organisation must determine how best to insure these locally or centrally.

| Risk | Risk | Insurance | Cover |
|---|------|-----------|-------|
| 11. Personal Accidents relating to Overseas Travel/Overseas Assignments (outside EU) | | | |
| Personal accidents in specific home situations | | | |
| <ul style="list-style-type: none"> Development/emergency staff, and volunteers, their spouses/partners, and children Managers and staff from HQ visiting overseas operations Media personnel, and other persons traveling to overseas operations at request of organisation Specific home-based staff | | | |

Issues

While the emphasis is on overseas travel, and on risk exposures while working overseas, an organisation may need to recognise domestic situations involving specific exposures to accidental death, or loss of limbs, etc, and may wish to seek specific personal accident cover.

Ensure cover exists for personal liability for accidents to, or claims made by, third parties against an individual insured under this policy. This is particularly critical in the event of motor accidents.

Cover should be adequate for medical costs, emergency travel, and emergency rescue for all insured categories, traveling to, and on site overseas. This should cover any eventuality, including motor accidents.

Cover should extend to permanent or temporary loss of sight or limbs, and to temporary partial or permanent total disablement.

Medical cover for expatriate staff/volunteers should apply to emergency and routine medical and dental outlays while abroad or traveling.

The cover should cater for loss of baggage or personal money while abroad or traveling.

War & Terrorism Cover is a necessity for specific NGOs, and should be sought specifically where required. It is critical that brokers seek out unambiguous cover in this regard, including injuries/illnesses arising from kidnap, whether arising from terrorism or not. The organisation should assume that the cost of an emergency evacuation and repatriation, where no accidents or illnesses arise, will be borne by the organisation out of its own resources.

The organisation may wish to seek cover for audio/visual equipment and cameras, and tools/testing equipment, being carried overseas by staff/volunteers

Cover should be considered for emergency treatment within two months of a confinement The organisation may wish to have lump sum cover for admission of staff/partner to maternity hospital on outward overseas journey

Care should be taken to insure that medical expenses cover can deal with overseas accident/illness involving transportation of patient to nearest place of treatment, and/or return and/or repatriation to country of normal domicile, including medical expenses in the latter country.

Medical cover should be secured for illnesses manifested up to 120 days after return from overseas (arising from overseas illness/accident)

Medical cover should be secured for overseas expatriate staff and their families while temporarily home from assignment, in respect of short breaks before or after overseas assignments, and in respect of occasional transit between one foreign country and another.

The organisation should clarify if the personal accident policy covers holiday travel for overseas staff/volunteers and their families within the overseas country of residence. If so, travel to an area of specific danger would require the advance approval of the immediate manager. In cases of holiday travel beyond the overseas country of residence, the travelers must normally seek their own travel insurance

The following situation is likely to be excluded or unavailable: AIDs related illnesses.

A separate travel insurance policy is required to provide cover for expatriate staff/volunteers and their families who have completed their term of contract and are no longer covered by the main Personal Accident policy. This policy would cover personal accident, medical expenses, personal effects, and personal liability, etc. Each organisation would need to shape this policy to reflect its unique circumstances.

If an organisation is heavily involved in placing staff and their families overseas, it can expect to pay a sizable premium for Personal Accident Insurance. It may determine to self insure for the first tranche of this exposure, e.g. have an excess of €200,000. This will lower the premium substantially, with the saving goes to meet the costs below the threshold. The use of a reserve fund would help to stabilise this approach.

| Risk | Risk | Insurance | Cover |
|--|------|-----------|-------|
| 12. Marine Cargo <ul style="list-style-type: none"> Loss of/damage to cargo while in transit | | | |

Issues

Ensure cover deals with full journey including road/rail aspects.

Insurance provided based on value of projected sendings per annum.

Ensure clear understanding with insurers regarding voyages to, and transit within, war countries.

| Risk | Risk | Insurance | Cover |
|---|------|-----------|-------|
| 13. Engineering Insurance <ul style="list-style-type: none"> Breakdown of central heating and air-conditioning plant situated at the home offices | | | |

Issues

Insurer will expect the organisation to have a planned maintenance programme.

| Risk | Risk | Insurance | Cover |
|--|------|-----------|-------|
| 14. Directors' and Officers Liability Insurance <ul style="list-style-type: none"> Claims made against directors and company officers for personal liabilities and financial loss, resulting from any breach of warranty or authority, or other act wrongly committed or attempted in their capacities as directors and officers of the company. | | | |

Issues

There is a growing demand for such cover, driven by best practice corporate governance.

The purpose of this cover is to provide directors and company officers with the financial support to defend themselves against any such claims.

| Risk | Risk | Insurance | Cover |
|---|------|-----------|-------|
| 15. Pension Trustees' Liability <ul style="list-style-type: none"> Claims for mismanagement by trustees of their obligations as trustees under the Pension Act 1995, and to protect themselves against allegations of improper advice, incorrect investment, and violation of the schemes' documents, as well as specific liabilities under statute | | | |

Issues

Trustees are jointly liable for the misdeeds/mistakes of one trustee. Without such cover trustees are putting their personal assets at risk.