

For all LA Maintained Schools

Academies – Insurance

Before conversion schools must ensure that adequate insurance cover is in place. Unfortunately Suffolk County Council's insurances will conclude on the day of the conversion as we are legally unable to offer policies outside the Council. However academies can source insurance from appropriate providers, refer to the relevant pages of the Academies Handbook.

As the Insurance Team are not regulated to offer advice outside of the Council's normal business, we can only assist by listing the policies currently utilised, those that could be considered by schools converting to academies, and the limits (maximum the insurers will pay out) currently held. Many of the limits refer to the Council as a whole, therefore we have also indicated, where possible, a guide value which may be of assistance. It will be the responsibility of the academies to source these policies through a reputable insurer. Academies would be wise to consider a suitable excess for each policy, typically the higher the excess the lower the premium charged by the insurer.

Many insurance providers can be found through internet searches. The Council is insured by Zurich Municipal and we are informed that they have an accomplished Academies Team who can be contacted by calling [0845 602 3895](tel:08456023895) or email info@zurichmunicipal.com (please note that this is not a recommendation and the Academies guidance should be followed).

Buildings (structure)

The Council's cover includes the following perils - fire, lightning, explosion, aircraft impact, storm and flood. There are numerous other perils that academies may wish to consider. The insurer will request a valuation of the property for insurance purposes. The Insurance Team commission revaluations which are updated within a 5 year rolling basis and inflation indexed between valuations. Recorded values can be advised to individual schools, please contact the Insurance Team to obtain the valuation for your school. However, academies may wish to update this valuation by appointing a reputable valuation company (usually approved by the insurer).

Contents (All Risks)

The Council provided some cover under the Combined Insurance Contents & Fabric Scheme. An insurer will need to know the value of contents and the perils you wish to cover. The basic perils are theft, accidental and malicious damage. For the purposes of the Contents & Fabric Scheme, the Council valued contents at 12.5% of the property value (as suggested by our insurers).

Computers

The Council provided some cover under the Damage/Loss Risk Pooling Scheme for theft, accidental and malicious damage to computer equipment. An insurer will ask for an estimated valuation of equipment (laptops, PCs, servers, etc). Academies may also wish to consider insurance to cover loss of data and other perils. An insurer will advise the options.

Money (cash)

The Council provided some cover under the Damage/Loss Risk Pooling Scheme limited to £5k. An insurer can provide a policy quote based on the limit, excess and the perils you wish to insure.

Business Interruption (additional expenditure)

This insurance covers the cost of temporarily vacating a property and re-locating, for example in the event of a fire where porta-cabins may be needed until the property is rebuilt. The Council's insurance provides cover for up to 48 months, however a reasonable time would be 36 months (although a totally devastated property clearance and rebuild might realistically be completed within 24 months). The sum insured would be dependent on the size of the property, but £3m should be enough to cover business interruption costs over 3 years following a large building total loss.

The Council doesn't currently hold Business Interruption insurance to cover loss of revenue (e.g. from lettings). However, academies may wish to insure to recover the income lost whilst buildings are being rebuilt following an insurance incident.

Works in progress

This covers contractors' works on site where extensions, demolition, improvements, etc. are taking place. This insurance is optional as most large contractors carry adequate cover, or may not be necessary if the building is not subject to any planned works. The limit of insurance cover will depend on the cost of the works.

Engineering Insurance

This covers damage caused to property following the explosion, collapse, fragmentation, etc. of engineering plant, e.g. boilers and pressure vessels. This isn't currently covered by the Council.

Public Liability (PL) and Employer's Liability (EL)

The Council's current cover under each policy is £50m, however expectations are that the sum insured should be at least £5m under each.

Governors' liability

This has previously been included within PL & EL insurance. Academies will need to ensure their insurance cover is extended to include this if not automatically covered.

Officials Indemnity

Some insurers include this insurance within PL & EL. It covers legal liability for financial loss which arises from a negligent act, error or omission committed in good faith by any officer.

Professional Indemnity (Negligence)

This insurance isn't currently held as it is only necessary where the Council's Officials Indemnity insurance doesn't apply. Academies may need to take out this insurance if Officials Indemnity insurance isn't available.

Libel and Slander

This is sometimes included within PL & EL, and covers claims for damages following libels or slanders made in good faith by officers.

Fidelity Guarantee/Crime insurance

This covers losses following fraud or embezzlement by an officer or third party. Academies should consider a limit in relation to their budget. Larger establishments may wish to insure for around £250k.

Personal Accident

This insurance is currently limited to teachers undertaking extra-curricular teaching activities as part of their duties, and students undertaking work experience/training with external employers organised by schools. The insurance only covers limited types of injury with benefits payable on a sliding scale according to the injury suffered.

Motor

Where schools currently insure vehicles through SCC it will be necessary for them to inform the Insurance Team in writing of the date of conversion to an academy in order that cover can be cancelled. Academies will need to arrange motor insurance to commence from the date of conversion. Be aware that failure to register with an insurance provider is a criminal offence and could attract a fine of up to £5k. The Council's motor insurance cover is comprehensive with an excess of £500.

Hirers Liability

This is taken out by schools at the discretion of the establishment. The current limit is £2m with a £250 excess.

Terrorism Insurance

This is not currently covered as seen as low risk in Suffolk. Academies should refer to Government requirements.

Legal Expenses

This covers legal fees charged by solicitors/courts for industrial tribunals, contractors' disputes, etc. This is not currently covered by the Council.

Travel

Schools currently obtain this insurance by declaration. Academies can source this type of policy from various suppliers - an internet search on school group travel insurance should assist. However, academies will need to check the terms and conditions as experience has shown some policies only cover certain aspects if travelling abroad, and some policies exclude trips within the UK and/or those where there is no overnight stay.

Staff Absence

Several providers offer this cover. An internet search for absence insurance should assist.

Maternity

Several providers offer this cover, which some may include as part of the absence insurance. An internet search for maternity absence insurance should assist.

Engineering inspections

It is a Health and Safety Executive (HSE) requirement that certain types of equipment be subjected to regular inspection – including lifting equipment, heating plant, and apparatus at height (refer to HSE for full list). Although engineering

inspections do not form part of an insurance policy, failure to comply could invalidate your insurance. Where the school's engineering inspections are currently undertaken by Zurich Municipal and the school is usually charged by way of an annual journal from the Insurance Team, you will need to arrange for the contract to be transferred away from the Council to the academy.

PTA/Friends of...

PTAs and "Friends of..." groups are classified as separate entities to the school, and each therefore requires its own insurance to cover events it organises. An internet search for PTA insurance should assist.

Current Insurances

Any schools transferring to Academy status should ensure the Insurance Team are aware and we will issue a document to be completed and returned which details the actions to be taken by schools and the refunds/charges that may apply.

If you have any queries please contact the Insurance Team by email at insurance@suffolk.gov.uk or by telephone on 01473 264038.