

Del Sharman is Underwriting Manager at Pound Gates Insurance Brokers. In the next issue, he will look in depth at insurance cover for claims involving abuse.

Are YOU COVERED?

In the first of a series of articles on insurance, **Del Sharman** of brokers Pound Gates outlines 10 key points to consider when reviewing your policy...

1 Know the market

Having a good awareness of the nursery insurance market will ensure that you have maximum choice when it comes to choosing an insurance product to protect your business. Reviewing the market at least every three years will help ensure that you're continuing to receive high-quality cover at a competitive price.

2 Know what you're entitled to

Often insurers will give discounts for positive risk management features. Discuss the following with your provider:

- trade association membership.
- outsourced health and safety consultants to help manage your obligations.
- any quality programmes or kite marks you've completed.
- door safety devices fitted (e.g. Fingershield).
- any fire/intruder alarms fitted.

3 Property damage

- Is your cover on an 'All Risks' basis? (does it include accidental damage?)
- Does the cover include subsidence as standard?
- Is your cover for theft restricted to only those incidents involving forced entry?
- Review your sums insured regularly to ensure that they're adequate on a replacement as new basis.

4 Out and about

Do you have cover for:

- items that might be taken outside of the nursery (laptops, mobile phones)?
- fixed outdoor play equipment, play surfaces, canopies, etc.?
- unfixed play equipment left outside overnight?
- play equipment stored in a shed overnight?

5 Business Interruption

Even minor insurance claims can be disruptive to your business and lead to you having to close for

a period of time. Even if you don't have to close you may incur additional costs in staying open whilst the incident is rectified. Business Interruption provides cover for lost revenue in the event of either circumstance, and it can be a vital lifeline.

Check your policy documents to ensure that you have Business Interruption cover (also referred to as 'Loss of Revenue' or 'Loss of Gross Profit') and that the sum insured and indemnity period selected are adequate.

6 Claims for abuse

Employers can be held vicariously liable for acts of abuse committed by their employees. As there's often no requirement to prove that you were negligent as an employer for a claim to succeed, it's important that you're clear about whether your Public Liability cover protects you.

This can be a complex area, so I'd recommend asking your insurance provider to confirm this for you.

7 Medication & first aid

As a nursery owner you're required to administer medication and first-aid to children in your care. You may also be asked to carry out more involved medical procedures for children with specific needs. There are risks to your business if the medication is administered incorrectly or, perhaps, not at all. The Public Liability section of your policy would respond to any claim, but only if your cover extends to include this risk. Ask your insurance provider to confirm this for you.

8 Loss of your registration certificate

Cover is available to provide you with protection where, through no fault of your own, you have lost your registration certificate or had your registration suspended – e.g. where Ofsted instructs you to close the nursery for a period of time whilst they investigate an incident which has occurred (or is alleged to have occurred) in the nursery. It's usually provided as a standard cover under most nursery policies with the option to increase the level of cover provided.

9 Commercial Legal Protection

Have you got it? It normally comes in two parts – a 24-hour legal helpline which you can use to obtain guidance on legal matters affecting your business; and insurance designed to pay for a solicitor to represent you (and meet compensation awards made against you for Employment Law claims) for legal situations covered by the policy.

10 Directors & Officers Liability

Directors and Officers Liability insurance cover protects company directors, officers and senior managers against claims arising from their decisions and actions taken whilst managing their business. Without it, if a director is successfully sued his/her personal assets could be at risk. If you don't already have this cover, ask your insurance provider for a quotation.