

A Guide to the Minimum Insurance Requirements for External Providers

Estates & Facilities - Insurance

Version: 1.0

Summary

1. External suppliers should carry their own Public Liability (PL) and Professional Indemnity (PI) insurance where necessary.
2. Work carried out by External Suppliers is not covered by Solent University's insurance nor is any attached liability covered.
3. The minimum levels of insurance are laid out in the table below. However, it is recognised that on occasion it may be necessary to override these.

Table A

| Description of Activity | Insurance requirements - Public Liability (PL) Professional Indemnity (PI) |
|--|---|
| Visiting or Guest speakers for a one-off event | None |
| Specialist lecturers on specific topics using their own materials and knowledge | PL of £5 million, possibility of PI at £2 million dependant on activity. PI requirement may be overridden by Director of School/Service if the University's form for the waiver of minimum insurance requirements is completed. Alternatively, they should be employed on a short term contract (through payroll). |
| Any external contractor who presents or teaches our own course material | Should be employed on a short term contract (through payroll) |
| Externals with specialist skills; e.g. hairdressers, beauticians, musicians, sportsmen, technicians, | May have own their insurance through an association, if not then PL of £5 million, possibility of PI at £2 million dependant on activity. PI requirement may be overridden by Director of School/Service if the University's form for the waiver or minimum insurance is completed. Alternatively they should be employed on a short term contract (through payroll). |
| Where the University is paying for, and will rely upon the specialist skills and advice of the supplier or contractor. For example, any work involving production, and/or design. This would include but is not limited to: the production of a course module or course outline, the design of a studio, major construction work, architect's drawings etc. It also includes external consultants providing specialist skills, recommendations and advice across all disciplines, and work which will be sold on by the University to a third party on a commercial basis. | PL of £10 million and PI of £5 million |
| External Examiners | Should be employed on a short term contract (through payroll) |
| External suppliers/contractors employed on a one-off or occasional basis to provide a specialist skill; e.g. tree surgeon, maintenance contractor, specialist cleaning service. | PL of £5 million, possibility of PI at £2 million dependant on activity. PI requirement may be overridden by Director of School/Service if the University's form for the waiver of minimum insurance is completed. |

4. Any activity that creates a reasonably foreseeable risk of damage to person or property must be covered by PL insurance of at least £5 million, (in rare occasions Product Liability insurance may also be required)
5. Any activity creating a reasonably foreseeable risk of loss or damage through poor expert or professional advice must be covered under PI insurance of at least £2 million.
6. On occasion it is possible for Directors to override the above requirements by completing the University's waiver form for minimum insurance requirements.

Full Guidelines on the Minimum Insurance Requirements for External Providers

Explanation

1.1. Solent University is vulnerable to liability in respect of its activities, i.e. it can be ordered to pay compensation (also called damages) to individuals and businesses that have suffered loss whilst on university premises, or in receipt of university services. Claims can be for such things as negligent damage to person or property, and for teaching services that do not deliver as promised or that fall short of reasonable expectation.

1.2. Compensation awards (also called damages) made by courts can run into millions of pounds. As a result the University carries insurance to cover its liability, and that of its employees, whilst carrying out their official duties on the behalf of the University.

Currently Solent University hold £50 million Public Liability cover (PL) and £7.5 million Professional Indemnity (PI). The PI insurance limit of £7.5 million is only in place when an official and approved contract is used.

1.3. However, work and activities at the University are often carried out by external providers, such as contractors or consultants not directly employed by the University. Such external providers are not covered under the University's insurance and it is not possible to obtain cover for them.

However the risk of liability resulting from their activities is no less and so the level of cover carried by an external contractor or consultant must be considered before agreeing the work or authorising them as a supplier and raising an order.

Guideline Details

2.1. The guidelines are relevant to all university staff who are employing external suppliers to provide goods/services to the University and who will not be paid through the payroll. This is whether the supplier is an individual or a corporate entity.

2.2. The guidelines ask externals to provide proof of a minimum level of insurance in public liability (PL) and/or professional indemnity (PI) as required.

- 2.3. Minimum level of cover for PL and PI can be overridden in the following cases:
- a. Where any university pre-procured framework contracts (such as SUPC contracts and Estates & Facilities framework for appointing professional consultants) require a higher level
 - b. Where the University has agreed or opted to use an industry-agreed form of contract (such as the JCT construction contracts) which requires a higher level. Most of these will be within Estates & Facilities activities
 - c. Where the Director has assessed the work and completes the waiver form for minimum insurance requirements.
 - d. Where the work is covered by terms of funding or sponsorship which require a higher level
 - e. Where the work has been offered via a tendering process supported by the Procurement and requiring a higher level.

Principal types of insurance cover required

- 3.1. Public liability (PL) insurance provides cover for negligent property damage and/or personal injury caused to third parties (NB: students are third parties).
- 3.1.1. PL cover should be carried by any supplier who might cause damage to person or property as a result of their activities on campus, for example by bringing equipment or goods onto a campus and/or by their contact with staff and/or students
 - 3.1.2. In some cases, product liability insurance will be necessary as part of the PL cover, particularly where the party's business concerns the use or presence of their product in a way which could cause damage or injury to person or property.
 - 3.1.3. The minimum level of PL cover required is **£5 million**
- 3.2. Professional indemnity insurance (PI) covers faulty advice, skills or expertise from professional specialists where the University has paid for, and is relying upon their advice. For example this would include architects, surveyors, independent assessors, IT professionals, designers, financial advisers, lawyers, and contractors. This would also include external consultants providing specialist skills and recommendations across all disciplines, where this work will then be sold on a commercial basis by the University to a third party.
- 3.2.1. The minimum level of PI cover required is **£2 million**

Waiver for exceptional cases

- 4.1. Subject to the completion of the University's form for the waiver of minimum insurance requirements the relevant Director of School/Service may approve a reduced level of cover under PL or PI. This should only be where the risk is acceptable for a demonstrable and material benefit and where the risk has been assessed. In addition the reduced level of cover must not expose the University to an unacceptable level of additional risk
- 4.2. Completed and signed waiver forms should be sent to Procurement and the Insurance Office. Please note that the Insurance Office is not required to approve the waiver but will keep a copy for audit purposes.