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Trustee Indemnity Insurance

As a result of a change in charity legislation, which previously precluded the Association from buying Trustee Indemnity Insurance with charity funds, cover has now be purchased nationally.

This insurance is designed to cover Trustees in the event that they are held personally liable for the loss of charity assets or for making a decision which results in the charity sustaining a loss in financial terms.

It does not cover acts which the trustee knew, or should reasonably have known, would constitute a breach of trust. Thus deliberate misconduct or wrongdoing would not be covered.



Who is covered?

- Any person elected, co opted or appointed to act as a trustee. These will usually be the members of an Executive Committee.

What are they covered for?

- Personal liability to make good a loss to the charity caused by their joint or several action.

What is not covered?

- Criminal actions.
- Acts which the trustee(s) knew, or should reasonably have known, could result in a breach of trust.
- Acts taken with reckless disregard whether a breach of trust might occur or not.

Summary

The provision of cover is designed to protect people who, having acted responsibly and honestly, find themselves being held to account.

An obvious example might be where they have sent a cheque to pay for insurance, it is mislaid in the post and an uninsured loss occurs.

The premium is paid centrally by The Scout Association, and as such no additional cover need be purchased.