

STAFF PERSONAL ACCIDENT INSURANCE SUMMARY

Why should a College or University insure its employees for Accident insurance?

A serious Accident can result in an injury which may have a considerable impact on your employees ability to work and support themselves financially in the future. Unlike Students, staff are much more likely to be aware of their employment rights, the requirements of the various acts covering Health and Safety and, as a consequence, if an accident at work does happen one of the first things an injured individual will consider is taking legal action against their employer. The consequences of such are:

- Disquiet between employer and employee
- Consequent disruption with other employees
- Insurers interviewing and trying to avoid payment to an employee creating more unsettlement
- Potential Health & Safety investigations with the potential ramifications of the same
- The time and cost involved (including legal assistance) of managing and defending employee litigation
- Consequential increasing in renewal terms or insurer's requirement for a post-loss survey and subsequent risk improvements

Whilst there is no guarantee that such issues can be avoided through effecting Personal

Accident insurance (this does not cover all the risks that an Employers Liability policy does) many incidents would be covered by this type of insurance, providing the following benefits to the College:

- A claim can be made without the need to litigate
- the benefit levels are potentially significantly higher than would be claimed under an Employers Liability insurance as they are fixed and are not dependent upon, or dictated by, an individual's salary or earnings
- a claim under this insurance would not expose the College's Employers Liability policy to insurer surveys or potential premium increases
- such an insurance policy could be offered, and viewed by employees, as an important part of a College's 'Employee Benefits' package and the fact that it is 'litigation-free' would be viewed more positively than the option of having to sue one's employer

A Personal Accident policy provides a lump sum payment with the level of payment varying and dependent upon the degree of permanent disability sustained. The policy provides a maximum benefit payment of £600,000.

This type of policy is non-fault contract and, as such, negligence does not have to be proven in order to make a claim. There are no excluded leisure activities which would prevent a payment being made plus cover applies 24 hours a day. Annual cover would be purchased (unlike for Students which might just be term time) and applies anywhere in the world.

The annual premium is £15.60 per capita which equates to just £0.30 per week.

There are a couple of valuable options available:

1. Cover can be extended to include Alumni/Alumna which would, in some way, offer something back to these individuals who give their time for free with their various fund raising activities. The cost would be an extra £1 per employee insured under the policy (irrespective of the number of Alumnus/Alumnae) and, effectively, increasing the annual charge to £16.60 per insured employee.
2. The policy can be extended to provide full Dental cover at the cost of 8p per week.

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