

**Liability Insurance for overseas placements**

Liability Insurance pays the cost of claims made against an organisation by those to whom it has failed in some way, such as by causing injury or loss. Claims will be paid when legal liability for such injury or loss is established. Such policies will always have a limit of indemnity, which is the maximum amount that the policy will pay out for any one claim or combination of claims arising from the same incident.

Liability insurance may take the form of Employers Liability or Workers Compensation policies, where employees may claim against their employer, or Public Liability policies where others (such as members of the public or visitors) may claim against an organisation.

**Why is it important?**

The University has a duty of care to its students when arranging or approving work or study placements abroad. This includes ensuring that enquiries are made to establish that the organisations accepting such placements have the appropriate liability cover in place. This is important to provide a means of compensation for students who may be injured when undertaking the placement. Such injury will usually be the legal responsibility of the placement if the student is acting under the control or supervision of the host organisation.

It is important to point out that UoL is **not** able to arrange cover in the name of the placement provider as there is simply no legal basis to enable this to be done.

It is important not to confuse the placement provider with an organisation which may facilitate placements. These are little more than specialist Travel Agents, and their own liability cover is not relevant to the main issue of the provider’s liability cover.

If liability cover is not in place, the student may not receive compensation for possibly serious injuries, which may have been caused by the negligence of the placement provider. In such a situation an injured student would have to resort to pursuing a case through the legal process, and this could prove a difficult and expensive process, with no guarantee of eventual success.

If the student should cause loss or injury to others whilst under the placement providers control or supervision this would also be deemed to be the legal responsibility of the placement provider under the principle of vicarious liability.

In view of the possible issue that may arise, and the time that will be necessary to clarify these, it is important that liability enquiries are made at an early stage and that it is made clear to the student that approval cannot be given until this process is complete.

**Liability insurance provision in the UK and abroad**

In the UK, Employers Liability (EL) Insurance is compulsory and by agreement between all UK Insurers, legal liability towards students on work placement is automatically covered by the placement providers EL policy.

Similarly, legal liability towards all foreign students undertaking study at UK universities is covered by each University’s liability insurances.

The position abroad can, however, be very different and will vary according to custom and practice in each country. This can range from provision equivalent to that in the UK, to insurance provided by the state for such risks, to restricted limits for compensation applied by statute, or to absolutely no cover at all. The latter is a common occurrence in many developing countries

In view of this, it is essential that enquiries are made at an early stage to establish what insurance is in place so that placements can be agreed without accepting undue risks that our students may be compensated should they be injured abroad during their placement.

**Minimal acceptable levels of cover**

It is important to check the limit of indemnity that applies to this insurance. We expect a minimum level of 5m Euros or equivalent to be in place. If the placement provider is a substantial and well established organisation, but is unable to effect such liability insurance (as a result, for example, of legislation or its own internal rules) the placement could continue provided the institution has resources available to pay such liability claims in excess of EUR 5 million from its own resources.

For small organisations where only a single UoL student is on placement at any one time, a lower limit of indemnity may be considered. If this is the case, details should be sent to the insurance office (via mark.neill@liverpool.ac.uk) along with a risk assessment for the placement.

**Responsibility to check liability insurance of placement organisations**

We have a duty of care to our students not to arrange, or agree, placements where inadequate liability insurance is in place, so we must ensure appropriate enquiries are made and satisfactory replies received before recommending or allowing placements organised as part of our courses.

The placement provider should be asked, either by the University or student, what liability insurance is in place for the proposed placement? This matter can often be misunderstood by providers who may respond that they “do not insure placement students” it is not the student who is being insured, but the legal liability of the provider towards the student and such misunderstandings are often avoided if the provider is encouraged to refer our query to their Insurance Adviser to confirm the cover position.

**Options if no liability insurance is offered**

In the absence of adequate liability insurance then careful consideration should be given as to whether or not the placement be allowed to proceed, if not, then the student should be encouraged to identify an alternative suitable placement. In the exceptional case where there are pressing reasons to allow a placement to proceed despite the absence of liability cover then a decision may be taken by the Head of School or Institute to allow the placement to proceed, provided the following conditions are met:

1. Enquiries have been made and that the student has established that the placement provider in question has no liability insurance in place and is unwilling/unable to obtain this prior to the placement commencing.
2. The student is satisfied that the placement organisation has acceptable safety standards and a safe working environment.
3. The student prepares a detailed risk assessment for the placement, including the risks to themselves of proceeding with no liability cover or inadequate cover in place. The Safety Advisers office can assist with this process.
4. If applicable, the student completes and signs the elective liability insurance form which has been prepared by the school

**Travel Insurance**

All UoL staff and Students travelling abroad on University approved business/activities will have the benefit of the free travel insurance in place provided that this correctly applied for, and authorised, through TULIP/Liverpool Life.

The cover provided under the travel policy is very wide and is provided on a worldwide basis.

Amongst many other things, cover is in place for emergency medical expenses incurred should a staff member/Student fall ill or sustain bodily injury whilst they are abroad. This cover would extend to include repatriation expenses together with some element of cover for on-going medical treatment.

A full copy of the policy wording can be found by accessing the following link:

<https://www.liverpool.ac.uk/intranet/legal/travel-insurance/>

**Additional Personal Accident Cover**

Personal accident insurance is **not** a substitute for liability cover, and has maximum benefits payable of £100,000 for Accidental Death/Permanent Disabling injuries/Permanent Total Disablement, subject to very strict definitions contained in the policy (e.g. they apply to the Students ability to undertake any occupation, not just the occupation for which they are being trained) Such benefits would be payable to the University as policyholder in the first instance, rather than directly to the Student.

This is the best Personal Accident cover that we have been able to obtain. The premium for this is £75 plus Insurance Premium Tax (12%) per Student, which will be payable by the School at the end of the Insurance policy year (31/7)

For this cover to apply to a particular student, we need to notify insurers before each placement starts on an individual basis. A travel insurance application will need to be processed via Liverpool Life together with a covering email from the School requesting that the additional PA cover applies. This should be sent to [Finsec2@liverpool.ac.uk](mailto:Finsec2@liverpool.ac.uk) as soon as possible to give time to arrange cover before each placement starts.

Payment will become due immediately before renewal of the policy – i.e. mid -July each year.

At this stage it is worth reiterating that this cover is in no way a replacement for the liability cover, as it will only respond to very specific situations, and for an agreed and set value, it will not look to compensate for a complex injury and the long-term effects of this. Should a student suffer a catastrophic injury that does not fall within the definitions in the Personal Accident Policy, they will be left to make a legal claim against an organisation that potentially has little or no financial worth and no insurance to protect them.

For further information please contact the University Insurance Manager, Mark Neill.

**Mark Neill – Insurance Manager**

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