**This document is an extract from the USHA Guidance on Health and Safety of Placement (Appendix C: Insurance). The full guidance document can be found on the Student Placement section of the** [**Health and Safety website**](https://www.gcu.ac.uk/healthandsafety/)**.**

**Insurance: General introduction**

Insurance needs to be considered from the various perspectives of what could go wrong

and who can be adversely affected. This section provides a brief summary of generally available insurance cover that is particularly relevant to student placements.

Exact insurance requirements and policy caveats that will vary between institutions so

each HEI should work with their insurers to ensure it has appropriate cover for its activities

and provide clear guidance internally on policies held by the HEI including any important

caveats and also those policies required by the provider / student.

The table below summarises the main types of relevant insurance policies particularly

relevant to placements.

**ype of Cove Explanation of Cover**

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| **Type of Cover** | **Explanation of Cover** |
| Employers’  Liability (EL) | Held by UK placement provider and meets the cost of compensation  for employees’ injuries or illness whether they are caused on or off site  following negligence by the employer. |
| Public  Liability (PL) | Held by placement provider this insurance covers the cost of claims made by members of the public for incidents that occur in connection with business activities. Public liability insurance covers the cost of compensation for personal injuries, loss of or damage to property. |
| Personal  Accident (PA) | This personal insurance is an annual policy which provides compensation in the event of injuries, disability or death caused solely by violent, accidental, external and visible events. |
| Workers’  Compensation  (WC) | Workers’ compensation may be held by the placement provider, it is a  form of insurance providing wage replacement and medical benefits to  employees injured in the course of employment in exchange for mandatory relinquishment of the employee’s right to sue his or her employer for the tort of negligence. |
| Professional  Indemnity (PI) | Professional indemnity insurance is a type of liability cover designed to  protect an individual or business against claims made by clients for loss or damage due to negligent advice or services provided for a fee. This is usually held by the placement provider although a student may purchase this policy directly it is usually very costly to do so. |
| Travel | Travel insurance is insurance that is intended to cover medical expenses, trip cancellation, personal possessions, personal liability and other losses incurred while traveling, either internationally or within one’s own country.  Cover varies policy to policy and therefore there may be some differences in cover. |
| Motor | A motor insurance policy is a policy issued by an insurance company as part of prevention of public liability to protect the general public from any accident that might take place on the road. Cover can vary, but generally covers death, injury, damage to vehicles and third party property. |
| Medical/Health | Health insurance is a type of insurance coverage that pays for medical and surgical expenses incurred by the insured. Health insurance can reimburse the insured for expenses incurred from illness or injury, or pay the care provider directly. |

The exact requirements depend on the circumstances of the placement. In all cases the following scenarios require cover to provide compensation for harm:

Scenario 1: resulting from negligence by the HEI.

Scenario 2: to the student resulting from negligence by the provider.

Scenario 3: resulting from a student’s actions.

The HEI’s PL insurance provides cover to meet a legal claim with respect to something that

was the fault of the institution (scenario 1).

It is usual for the provider to hold insurance policies that provide cover for harm to the

student resulting from their work at the provider (scenario 2). Within the United Kingdom the placement provider is responsible for the health and safety of the student whilst

on placement as if the student were their employee[[1]](#footnote-1). Within the UK most employers are

legally required to hold EL Insurance[[2]](#footnote-2), and there is an agreement among the UK insurance

industry that work experience persons will be regarded as employees by all UK insurers and

covered by EL policies.

Some UK employers are exempt from the compulsory insurance requirement including

some Government bodies, companies with no employees and family operations. Outside the

UK some countries require WC policies to be held which would provide similar cover to EL

or there may not be a legal requirement to hold any such policy.

Therefore, the initial screening process should ask placement providers if their insurance

covers liability for injuries or sickness suffered by placement students attributable

to their duties with the organisation. Where this is not the case the placement may be

declined or referred to the HEI’s approval escalation mechanism. HEIs should ensure

they understand any potential liability they may hold if such placements are approved. If such placements are approved, the student should be briefed on the potential implications and written confirmation be sought from the student accepting that they understand the potential implications and risks associated. The student may wish to purchase personal accident cover in this case, however it should be noted it is not meant to replace EL/WC and is normally a low limit in terms of compensation.

If the student is undertaking a ‘Self Employed’ placement then they will not require EL cover,

however, they may require Public Liability cover and possibly Professional Indemnity cover

which they will have to arrange themselves.

Within the UK, employers are vicariously liable for the negligent acts of their employees

including students on placement, if such acts cause injury to others (scenario 3). This

liability will be covered by the placement provider’s insurance policies as the provider

is responsible for supervising the placement student during their duties. As with the

previous scenario the situation can be more variable outside the UK therefore the initial

screening process should ask placements providers if their insurance also covers liability

for harm resulting from student’s actions conducted in connection with their duties for

the organisation.

This is particularly relevant where placements are within a field where there may be legal

liability for professional risks (e.g. medical, dental, veterinary placements). This would

normally be covered by professional indemnity insurance or in appropriate cases medical

malpractice insurance. This can also be known as clinical negligence, or errors and

omissions insurance.

The HEI’s insurance would not normally cover students on work placements and the

expectation would be for this to be covered by the placement provider, not least because

only the placement provider is in a position to manage the professional or business

activities of the student. Students working within NHS hospitals in the UK are usually

covered for professional risks under the Clinical Negligence Scheme for Trusts. GP

practice’s medical malpractice insurance should usually cover those placed with a GP

practice in the UK. If the placement is in a private hospital, hospice or nursing home this

may not always be the case.

For placements in relevant professional settings, the initial screening should also

ensure providers confirm their insurance will cover professional liability of the student

for injuries to third parties arising from their duties. Where this is not the case, the

placement should not be approved unless cover can be provided from another source (e.g. the student or HEI buy cover).

**Additional insurances**

Depending on the circumstances of the placement additional insurance cover may

be required related to travel. If a placement requires the student to drive, suitable motor

vehicle insurance will be required. This may be provided by the placement provider if the

student is driving the provider’s vehicle. If the student is driving their own vehicle for work

purposes it is important to check the insurance covers ‘business purposes’ and not just ‘social domestic and pleasure’ use of the vehicle.

Where students are travelling abroad for their placement it is important an appropriate travel

insurance policy is in place. This provides assistance in most emergency situations

without which students could be vulnerable.

Where institutions provide travel insurance for students any caveats (e.g. reduced coverage

in high risk locations, exclusions for sports activities, lifestyle, holiday periods or pre-existing

conditions) should be communicated to the student. Where institutions do not provide

cover they should have a process for ensuring /encouraging students to purchase their own

policy for the duration of their trip. The medical cover included in travel insurance policies can be expected to exclude routine treatments but may limit cover for pre-existing conditions, pregnancy and childbirth. If this is a concern, the student may wish to purchase medical/health insurance locally.

The European health card scheme[[3]](#footnote-3) provides healthcare for European citizens to the same

level as the national health scheme in that country, which may be limited and/or not free at

the point of delivery. Come countries, such as Australia have reciprocal health arrangements

for long term care such as dialysis, students should be encouraged to research the details of

these schemes before travelling.

Where students are purchasing their own cover for any policy type, they should be advised

to check the wording, and particularly the exclusions, carefully to ensure that it meets

their requirements. Most HEIs cannot advise students on purchase of specific policies as

they are not authorised to offer financial advice under the Financial Services Authority rules.

1. Health and Safety (Training for Employment) Regulations 1990 [↑](#footnote-ref-1)
2. Employers’ Liability (Compulsory Insurance) Act 1969 [↑](#footnote-ref-2)
3. Advice on this subject should be reviewed once the outcome of the British exit from the EU is known. (Update – information can be found via the NHS website on [Applying for healthcare cover abroad](https://www.nhs.uk/using-the-nhs/healthcare-abroad/apply-for-a-free-uk-global-health-insurance-card-ghic/) [↑](#footnote-ref-3)