### **Guidance document 4: A guide to insurance requirements for student work placements (WPs) and collaborative projects with business (CPBs)**



**Guidance document 4: A guide to insurance requirements for student work placements (WPs) and collaborative projects with business (CPBs)**

This document provides guidance for placement and module co-ordinators managing, scoping and risk assessing student work placements and collaborative projects with business which involve an external provider. It links directly to the University’s Work Placement and Project Policy (WPPP)

1. **Employers Liability Insurance.**
	1. In the UK it is a legal requirement for most businesses to hold employer liability insurance. UK employer liability regulations classify work experience or placement students as employees. This means that in the event of an accident at work arising from the placement provider’s negligence, the student has the same rights as the placement provider’s permanent staff. This may not be the case if the placement is overseas and the University’s insurers should be approached for advice (<https://www.stir.ac.uk/internal-students/fees-and-finance/insurance/> . Please also refer to the Off-Campus Activities Policy (draft at the time of this policy).
	2. Sole traders are not legally required to have employer’s liability insurance. When they offer a placement or project to a student that is based on site, they will be asked to take out employer liability insurance. If they refuse, the placement should not go ahead as the student is not adequately covered. If the WP or CPB is entirely project based and delivered remotely, then only public liability insurance is required.
	3. Faculties should check that WP or CBP providers have employer liability and public liability insurance as part of the risk assessment/approval process, and include relevant details on the standard university WP and or CPB Agreement Form. (WPPP Templates 5 and 6).
	4. The University’s own Employer Liability Insurance policy provides indemnity in respect of the legal liability to pay damages to employees for death, injury or disease arising out of and in the course of employment in the business including legal costs and expenses. In effect this pays out to an employee in the event that the University has been negligent (as opposed to the placement provider). The University of Stirling policy has an extension to the definition of employee to include students with a limit of indemnity is £20m. The University routinely provides business with our insurance details when asked for confirmation of our insurances. ***The University Employer liability insurance only covers the students for negligence on the part of the University – not the placement or project provider.***
	5. Sole traders are not required to hold employers liability insurance but the University has a duty to our students to ensure that they are adequately covered and so, if they do not have Employers’ Liability insurance, and are hosting a student for a WP or a CPB, ***they must take out Employers’ Liability insurance for the duration of the placement.*** In terms of levels, we should seek £10m liability for each. The minimum legal requirement for employers’ liability is £5m but in practice most companies would have a £10m limit so should not be an issue. If a WP or a CPB is ***entirely remote*** ***and hosted by a sole trader***, there is flexibility regards employer liability insurance. In such circumstances, providers will only be asked to take out public liability insurance. If and organisation has neither the placement/module co-ordinator should consult with the insurance team insurance@stir.ac.uk

A copy of the Employer’s Liability insurance should be requested prior to the placement commencing to check the points noted above.

Employers Liability: Limit of indemnity · Name of insurer · Date of expiry

***In summary, the University needs to ensure that the any business or organisation that students are placed with or are conducting projects with, have Employer’s Liability Insurance*** to cover acts arising from that business's negligence. Their employer’s liability insurance must cover placement/project students as employees for it to be effective.

1. **Public Liability Insurance**
	1. Public liability policies covers the cost of claims made by members of the public for incidents that occur in connection with business activities.
	2. The University’s public liability policy will cover the University in the remote event that we are held liable for a student’s actions and such actions cause injury or property damage. It is worth noting that we also have an extension to our public liability policy for students. Our limit of indemnity is £20m. As with the University’s employer liability insurance, its ***public liability insurance*** ***only covers the students for negligence on the part of the University – not the placement or project provider.***



* 1. ***It is not a legal requirement in the UK for organisations to have public liability cover. However, most reputable businesses should have it.*** This insurance protects the student against claims brought against the WP or CPB provider by third parties in the event of negligence on the part of the student. The student has responsibility to act in an appropriate manner (as outlined in the Student Charter) and to keep in contact with the University to report any problems with the WP or CPB provider. We should ensure that the placement/project provider also hold public liability insurance to cover any accidental injury or damage to third party property arising from the actions of the student on work placement. This will protect the student against claims brought against the placement/project provider by other third parties.  The ***insurance ask is the same whether or not the student is onsite or working remotely.*** The risks of undertaking the work are still present and the placement or project provider still needs to ensure that the student has adequate facilities.

A copy of the Employer’s public liability insurance should be requested prior to the placement commencing to check the points noted above Public Liability: Limit of indemnity · Name of insurer · Date of expiry

1. **Insurance for overseas**
	1. In the UK all employers are required to hold such insurance however this is not always the case overseas and, as such, we need to understand exactly what insurances are in place. It can be confusing as they will go by different names and of course depending on the country, may not cover what we would expect in the UK.  In these cases, staff should email insurance@stir.ac.uk who will liaise with the University’s insurance brokers to ensure that the cover is appropriate prior to the placement or project commencing.

Please refer to the Fieldwork and Travel Policy Travel/PA insurance if students are undertaking their placement/project overseas.

|  |
| --- |
| **Key tasks** |
| * ***Ensure that the businesses that the students are placed with have Employer’s Liability insurance***
 |
| * ***Ensure that the placement provider also holds public liability insurance***
 |

Contact insurance@stir.ac.uk if you have further questions.