

Aide Memoire Insurance Information draft - 28th August 2025

This document is designed to provide Elders/Trustees with an overview of the Church Insurance arrangements.

Insurance wordings are taken, word for word, from the policy document issued by Aviva Insurance Ltd. Any additional comment in boxes are not taken from the policy wording.

It is important under the Working Group structure that elders allocated to these groups are aware of the insurance policy requirements. Any insurance issues or concerns, which arise during planning stages or discussions within groups can be raised with the Church Insurance Administrator.

The insurance policy wording is a 140-page document which is the legal contract between the church and the insurers. It is therefore very important that we comply with the terms of the contract to avoid risk of the repudiation of claims and/or cancellation of policy cover.

Our Insurers are Aviva Insurance Ltd, with our brokers being Church of Scotland Insurance Services. Whether in terms of broking administration or claims notification, all discussions are held with Church of Scotland Insurance Services. It would be very unusual, if at all, that we would be in direct contact with Aviva Insurance Ltd.

We have a responsibility to provide a fair duty of disclosure of all information which would influence an underwriter in accepting our insurance risk at an agreed premium. This is provided to Church of Scotland Insurance Services on an on-going basis. As our broker Church of Scotland Insurance Services arrange and negotiate the cover and premium on our behalf.

Our brokers have a responsibility to act upon our instructions in arranging cover and fully disclosing information provided by us to Aviva Insurance.

Following instructions passed by the General Assembly in 2013 we are obliged to solely place cover via Church of Scotland Insurance Services.

Cover is provided under separate sections within The Church of Scotland Insurance Scheme Wording version 1.0 January 2025. The sections are noted below. A full policy wording can be obtained from the Church of Scotland Insurance website. Documents are contained in the downloads section of the their website.

- 1. Property Damage – All Risks**
- 2. Money and Assault**
- 3. Business All Risks**
- 4. Frozen Food**
- 5. Machinery Damage – NOT INSURED**
- 6. Loss of revenue**
- 7. Terrorism – NOT INSURED – we obtained quotation at renewal 2023 but decided not to proceed with cover**
- 8. Employers Liability**
- 9. Public/Products Liability**
- 10. Group Personal Accident**
- 11. Management Liability**
- 12. Professional Indemnity**

The Contract of Insurance (This is between us and Aviva Insurance Ltd)

The contract of insurance between you and us consists of the following elements, which must be read together:

- your policy wording;
- the information contained on your risk presentation and Statement of Fact document issued by us;
- the policy schedule;
- any notice issued by us;
- any endorsement to your policy; and
- the information under the heading “Important Information” which we give you when you take out or renew your policy.

In return for You having paid or agreed to pay the premium, We will provide the cover set out in this policy, to the extent of and subject to the terms and conditions contained in or endorsed on this policy

Key Policy definitions

Authorised Volunteer

Volunteers acting under Your control whilst engaged in activities in connection with The Business

Employee(s)

Any person who is

- (1) under a contract of service or apprenticeship with You
- (2) borrowed by or hired to You
- (3) self-employed
- (4) under a work experience, training, study exchange or similar scheme
- (5) a voluntary worker
- (6) deemed by a Court of Law in the United Kingdom, to be an employee while working under Your control in connection with the Business
- (7) an outworker or homeworker when engaged in work on Your behalf
- (8) a Minister when engaged in work on Your behalf

Minister

Any minister of word and sacrament, ordained local minister, deacon or reader who is not The Policyholder

The Schedule

The document(s) which specifies details of The Policyholder, The Premises, Insured Persons, Property Insured, Sums Insured, Limits of Indemnity, any Excess(es), Operative Time of Cover, any Deferment Period(s), Endorsements and Conditions applying to this policy

You/Your/The Policyholder

Members of The Kirk Session of the parish church or organisation named in The Schedule as The Policyholder and any governing court, committee or congregational board as designated by its constitution

The Business

Ecclesiastical activities, including but not limited to food banks, gardens, cafes, restaurants and charity shops and **any activity conducted for the benefit of the church or other charitable purposes which are wholly and entirely controlled and operated by the Kirk Session of the parish church** or organisation named in The Schedule or any governing court, committee or congregational board as designated by its constitution.

*The Business clause describes the activities we are allowed to undertake without referral to the brokers/insurers. Any activity which would not be deemed to be included would need to be referred to insurers **in good time and before any event is advertised to ensure cover is in place. An event should not proceed unless insurance cover is confirmed to be in place. If there are any concerns or uncertainty about an activity being covered this must be referred to the Church Insurance Administrator before proceeding further with planning.***

Joint Insured – Property Damage

The Church of Scotland General Trustees are noted as a being additional Insured in respect of property solely vested in them.

The Policyholder and The Church of Scotland General Trustees are noted as being joint insured's each for their respective rights and interests.

Any non-disclosure, misrepresentation, misdescription or failure to comply with policy conditions by The Policyholder shall not prejudice the rights of The Church of Scotland General Trustees, provided that The Church of Scotland General Trustees notifies Us immediately upon becoming aware of such non-disclosure, misrepresentation, misdescription or failure to comply with policy conditions.

Theft Damage to Buildings – Property Damage

We will provide cover, where Buildings are insured under this Section, for Damage to such Buildings including landlords' fixtures and fittings at The Premises **caused by theft or attempted theft** not involving entry into or exit from The Premises by forcible and violent means.

The maximum amount We will pay for any one claim and in any one Period of Insurance is £50,000.

We will not provide cover for

- (1) Damage caused to any property other than buildings and landlords' fixtures and fitting
- (2) theft or attempted theft of internal non-ferrous metals forming part of any building
- (3) Damage caused by persons lawfully on The Premises
- (4) while The Premises are Unoccupied
- (5) **The first £500 of each and every claim which is increased to the first 50% of each and every claim with a minimum contribution of £500 unless**
 - (a) The Premises are protected by SmartWater Technology Limited, and
 - (b) SmartWater signage is displayed at The Premises, and
 - (c) The Premises are registered with SmartWater Technology Limited

Average Condition

The following Condition of Average **will apply to all Property Insured other than Buildings** and where shown as Items in The Schedule **professional fees, rent and removal of debris**: You will be liable to bear a proportionate share of the loss if the Sum Insured, at the time of Damage, is **less than 85% of the amount** necessary to replace the whole of the Property Insured and/or Computer and Electronic Office Equipment, at the time of rebuilding or replacement

Interested Parties – Specified – Property Damage

In the event of Damage as insured by this Section interested parties, as stated in The Schedule, must declare the nature and extent of their interest.

In the event of a claim to the Boys Brigade Hall for example the nature of their interest in terms of the ownership of the property would need to be declared.

Records and Key Security – Money

If in relation to any claim for loss of Money You have failed to fulfil any of the following condition, You will lose Your right to payment for that claim.

You must

- (1) keep a complete record of Money in a secure place other than in a safe or strongroom containing Money
- (2) ensure that outside of Business Hours, all safes and/or strongrooms are kept locked and the keys removed from The Premises unless The Premises are occupied by You or any Director or Employee of Yours, in which case the keys must be kept in a secure place away from any safe or strongroom
- (3) ensure that whenever The Premises are closed for business or left unattended, all security devices to protect The Premises are properly fitted and put into full operation.

Note – If money is being transported to the Bank there is a requirement depending on the value of cash in excess of £2,500 for specified number of people to accompany the cash in transit.

Abuse Condition - Public/Products Liability

Clauses

The following clauses apply to this Section.

Abuse

Where You fall under the Church of Scotland safeguarding policies, We will cover You for Your legal liability to pay Compensation and Costs and Expenses for accidental Bodily Injury which arises as a direct result of Abuse in connection with The Business and which happens during the Period of Insurance within the Territorial Limits.

The maximum We will pay for all Losses inclusive of Costs and Expenses in any one Period of Insurance under this clause is £10,000,000. Any payments under this clause will not increase or exceed The Limit of Indemnity.

Exceptions

The following exceptions apply to this Abuse Clause in addition to the Policy Exceptions and any exceptions applying to this Section

We will not provide cover

- (1) if You have
 - (a) authorised or permitted Abuse, and/or
 - (b) disregarded knowledge of Abuse, and/or
 - (c) had actual or constructive knowledge of Abuse and failed to notify a person with specific responsibility for the protection of children or vulnerable adults from Abuse, and/or
 - (d) aided or contributed to or supported Abuse, and/or
 - (e) intentionally or wilfully failed to comply with any procedure regulation or licence designed to protect children or vulnerable adults from Abuse.
- (2) where cover is provided by another insurance policy.
- (3) for the Excess stated in The Schedule.

Conditions

The Abuse Condition is a condition precedent to liability and applies to this Abuse Clause in addition to the Policy Conditions. If in relation to any Loss You have failed to fulfil the following condition, You will lose Your right to cover or payment for that Loss.

Abuse Condition

You must ensure

(1) You implement, adhere to and maintain all written policies and procedures for safeguarding the welfare of any person in Your care against Abuse in accordance with (a) all current applicable laws and regulation within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands. (b) The Church of Scotland's safeguarding policies

(2) In respect of any individual working for You or on Your behalf, whether voluntarily or paid, in a role which involves unsupervised access to any person in Your care, for whom Protecting Vulnerable Groups Scheme (PVGS) in Scotland, Disclosure and Barring Service (DBS) in England and Wales or any equivalent in other countries, then that individual:

(a) has undergone satisfactory PVGS/DBS checks or similar statutory disclosure checks prior to engagement in those duties;

(b) undergoes at intervals not exceeding 5 years further satisfactory PVGS checks;

(c) undergoes at intervals not exceeding 3 years further satisfactory DBS checks or similar statutory disclosure checks;

(d) has access to, is acquainted with and receives formal training in Your safeguarding policy and receives at intervals not exceeding 5 years formal update training based upon current best practice;

(e) receives formal induction safeguarding training prior to commencement of their duties and is supervised during their probationary service period.

(3) from the time The Business started or for not less than 30 years (whichever is the later) You have securely retained all relevant employment and engagement applications, references, identity verifications, records of Disclosure and Barring Service checks, Protecting Vulnerable Groups Scheme checks or similar statutory disclosure checks and all relevant and related paperwork in respect of:

(a) Your safeguarding policy, revisions and records of Your safeguarding policy and the training delivered to any individual working for You or on Your behalf whether voluntarily or paid, in a role which involves unsupervised access to any person in Your care;

(b) any recorded incident or incidents of Abuse including any action taken (such as notifications to the appropriate authorities).

Definitions

The following additional or revised definitions apply to the Abuse Clause and shall keep the same meaning wherever they appear in this clause unless an alternative definition is stated to apply

Abuse any actual, alleged, attempted or threatened

(1) act of hurting or injuring mentally, emotionally or physically by maltreatment or ill-use; or

(2) act of forcing sexual activity, rape, molestation or sexual harassment; or

(3) incident of offensive or abusive behaviour or racial discrimination or any use of offensive or abusive language whether isolated, continuous, repeated or intermittent.

Note - the policy limit applicable under the Abuse Condition is amended to £10,000,000 in the aggregate any one period of insurance. Policy excess will be confirmed at renewal

Suspension of Cover – Public/Products Liability

We may, at any reasonable time, inspect any property and, in the event of any defect or danger being apparent, We may by written notice to You suspend all Our liability that might otherwise arise from such defect or danger

The clauses below are definitions under the Management Liability section of the policy. There is no definition of a Trustee or Governor within the Policy wording. Our Congregation does not have Directors therefore the definition clause has not been included.

Company – Management Liability

The Insured or any Subsidiary Company

Employee – Management Liability

- (1) Any natural person who was, is or becomes during the Period of Insurance under a contract of service or apprenticeship with the Company
- (2) Any natural person who was, is or becomes during the Period of Insurance
 - (a) self-employed
 - (b) a voluntary helper
 - (c) engaged under a work experience or training scheme
 - (d) seasonal or temporary staff
 - (e) agency staff
 - (f) any other third party for whom the Insured is legally responsible while working under the Company's control in connection with the Business Activities of the Company

Insured Person – Management Liability

Any natural person who was, is or becomes during the Period of Insurance a **Director, Officer, Member, trustee or governor of the Company**

Member – Management Liability

A member of a limited liability partnership formed under the Limited Liability Partnerships Act 2000 or any subsequent amendment or re-enactment

Officer – Management Liability

Any

- (1) Employee of the Company whilst acting in a managerial or supervisory capacity
- (2) Employee of the Company who, whilst acting as an employee, is joined as a party to any action against any Insured Person.

This definition does not include any external auditor, liquidator, administrator, receiver or solicitor of the Company

Session – Management Liability

The body of elected elders governing each local church within ecclesiastical policy

The Management Liability cover is split into 2 sections –

A) Trustees Officers and Directors Liability (no excess applies) and **B) Corporate Legal Liability** (£5,000 excess applies each and every claim although this may change from renewal).

Within the **Trustees Officers and Directors Liability** section there are 2 areas of cover 1) **Insured Persons** and 2) **Company Reimbursement**.

The total indemnity limit during the period of insurance is £1,000,000 in the aggregate. Aggregate means that if you have a limit of £1m and a claim is paid for £200,000, this will mean there will be a limit of £800,000 remaining for the rest of the period of insurance.

We have requested a limit of indemnity quotation for £2m and £5m in the past. However, Aviva will not agree to a higher limit being insured under the policy. Due to the 2013 General Assembly instruction mentioned earlier we cannot obtain a quotation for cover elsewhere.

The cover clauses and definitions of Company and Employment Wrongful Act are detailed below.

Section A) Trustees Officers and Directors Liability

1) Insured Person – cover clause

We will indemnify or pay the loss of any **Insured Person** for Loss arising from a Claim as the result of a

***Wrongful Act**, provided that

- (1) such Claim is first made during the Period of Insurance against such Insured Person and notified to Us in accordance with the Claims Conditions and
- (2) such Loss is not recoverable by the Insured Person from the Company

2) Company Reimbursement – cover clause

In the event that the Company is required or permitted to indemnify an **Insured Person**, We will indemnify on the Company's behalf Loss arising from a Claim as the result of a ***Wrongful Act**, provided that

- (1) such Claim is first made during the Period of Insurance against such Insured Person and notified to Us in accordance with the Claims Conditions

and

- (2) such Loss is not recoverable by the Company from any other source, including but not limited to any more specifically relevant and collectable insurance policy

***Wrongful Act definition under clause 1 and 2 above**

Any

- (1) breach of duty including fiduciary or statutory duty
- (2) negligent act, error or omission
- (3) defamation committed in good faith
- (4) breach of warranty of authority
- (5) misstatement or misleading statement not made deliberately or recklessly
- (6) wrongful trading under s.214 of The Insolvency Act 1986 or any subsequent amendment or re-enactment
- (7) Employment Wrongful Act** actually or allegedly committed or attempted by an Insured Person in their capacity as a Director, Officer or Member of the Company and arising from Business Activities within the Territorial Limits

****Employment Wrongful Act – Management Liability Corporate Legal Liability**

Any error, mis-statement, misleading statement, act, omission, neglect or breach of duty actually or allegedly committed or attempted by the Company or any Insured Person within the Territorial Limits in connection with any

- (1) wrongful, unlawful or unfair dismissal, discharge or termination of employment
- (2) breach of any written or oral employment contract
- (3) employment-related misrepresentation
- (4) violation of employment discrimination laws
- (5) wrongful failure to employ or promote
- (6) wrongful demotion
- (7) wrongful disciplinary action
- (8) wrongful deprivation of a career opportunity
- (9) failure to grant tenure
- (10) failure to adopt adequate workplace or employment policies and procedures

- (11) Retaliation
- (12) negligent evaluation of personal performance
- (13) employment-related invasion of privacy
- (14) employment-related breach of data protection legislation
- (15) employment-related humiliation or defamation
- (16) failure to provide accurate job references regarding any former, current or prospective Employee

Section B) Corporate Legal Liability

Cover clause

We will indemnify or pay the loss of the Company for Loss arising from any Claim first made during the Period of Insurance against the **Company** for any ***Company Wrongful Act** and notified to Us in accordance with the Claims Conditions

***Company Wrongful Act definition**

Any

- (1) breach of duty including breach of trust
- (2) negligent act, error or omission
- (3) defamation committed in good faith
- (4) breach of warranty of authority
- (5) negligent misstatement or misleading statement

Policy Conditions - All sections

The following Policy Conditions apply in addition to the conditions contained in each Section of the policy.

These Conditions do not apply to Management Liability and Professional Indemnity and have no effect on these Sections. All of the conditions applying to Management Liability and Professional Indemnity are stated in the applicable Sections.

Alteration of Risk – All sections

If there has been any alteration to the Property Insured and/or The Premises and/or The Business after the effective date of this insurance which increases the risk of loss, destruction, damage, accident or injury or Your interest ceases except by will or operation of law, **We will at Our option avoid the policy from the date of such alteration or when Your interest ceases, unless We accept the alteration.**

Claims Procedure – all sections except as stated below in first paragraph

For the Claims Procedure relating to your Management Liability cover please refer to the Management Liability Section of this policy.

If in relation to any claim You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must

- (1) **tell Us immediately** of any event or occurrence which may result in a claim
- (2) **notify the police immediately of loss, destruction or damage caused by malicious persons or thieves**
- (3) **at Your expense**, provide Us with a written claim containing as much information as possible of the loss, liability, destruction, damage, accident or injury, including the amount of the claim within
 - (a) **30 days, or**

(b) seven days in the case of loss, destruction or damage caused by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances or malicious persons

of You becoming aware of the event or occurrence, or such further time that We may allow

(4) provide Us with all information and help We require in respect of the claim

(5) pass to Us unanswered, immediately, all communications from third parties in relation to any event which may result in a claim under this policy

(6) not admit or repudiate liability, nor offer to settle, compromise, make payment which may result in a claim or pay any claim under this policy without Our written agreement

(7) allow Us to take over and conduct in Your name the defence or settlement of any claim. You will also allow Us to prosecute at Our own expense and for Our own benefit, any claim for indemnity or compensation against any other person and You must give Us all information and assistance required

It is also a requirement under the Basis of settlement clause that the work of reinstatement in the event of a claim being submitted must begin and be carried out as quickly as possible

Non-Disclosure, Misrepresentation or Misdescription – all sections

(1) Before this policy was entered into

If You have breached Your duty to make a fair presentation of the risk to Us before the policy was entered into, then:

- where the breach was deliberate or reckless, We may avoid this policy and refuse all claims, and keep all premiums paid; –
- where the breach was neither deliberate nor reckless, and but for the breach:
 - We would not have agreed to provide cover under this policy on any terms, We may avoid this policy and refuse all claims, but will return any premiums paid
 - We would have agreed to provide cover under this policy but on different terms (other than premium terms), We may require that this policy includes such different terms with effect from its commencement,

and/or

- We would have agreed to provide cover under this policy but would have charged a higher premium, Our liability for any loss amount payable shall be limited to the proportion that the premium We charged bears to the higher premium We would have charged, as outlined in Schedule 1 to the Insurance Act 2015

(2) Before a variation was agreed

If You have breached Your duty to make a fair presentation of the risk to Us before any variation to this policy was agreed, then:

- where the breach was deliberate or reckless, We may cancel this policy with effect from the date of the variation, and keep all premiums paid;
- where the breach was neither deliberate nor reckless, and but for the breach:

- We would not have agreed to the variation on any terms, We may treat this policy as though the variation was never made, but will return any additional premiums paid –
- We would have agreed to the variation but on different terms (other than premium terms), We may require that the variation includes such different terms with effect from the date it was made, and/or
- We would have agreed to the variation but would have increased the premium, or would have increased it by more than We did, or would not have reduced it or reduced it by less than We did, Our liability for any loss amount payable shall be limited on a proportionate basis, as outlined in Schedule 1 to the Insurance Act 2015.

This condition operates in addition to any provisions relating to underinsurance in this policy.

Reasonable Precautions and Maintenance of Property – All sections

You must

- (1) maintain all premises and equipment, *including fire extinguishing and security equipment*, in a ***continuous satisfactory state of repair*** and ***in full working order in accordance with the manufacturers instructions and servicing requirements.***
- (2) take all reasonable precautions to prevent loss, destruction or damage to the property insured and accident or injury to any person or loss, destruction or damage to their property.
- (3) conduct The Business in a lawful manner, complying with all legal requirements and safety regulations.
- (4) keep a record of purchases and sales