

## Lettings Third Party Hirers' Liability Insurance Guidance Notes



Some Council premises let out their rooms for private functions to generate income. The Council has a lettings policy which must be used for all hires/lets.

One of the conditions of the lettings policy is that the hirer must have Public Liability insurance with cover of at least £5 million.

Some hirers will not have the benefit of insurance cover but rather than lose the income, the Council's insurers are able to offer a Third Party Hirer's Liability policy which the hirer can 'buy' into. This will provide hirers with the required £5 million cover.

There are conditions attached to the Third Party Hirers Policy. The hirer must not be:

- A political or commercial group or organisation
- A large commercial or business organisation (e.g. WI, Scouts etc.)
- For professional entertainment purposes
- For martial arts activities

There will be many organisations that will of course have their own insurance and the conditions above will not apply to them. For these hirers, you must keep a copy of their current insurance with the lettings form.

If you have any queries regarding the insurance cover for a hirer, please contact the Insurance Team on 01743 252092.

### What you need to do

In order to take advantage of the above you will need to:

- Provide the hirer (taking out this insurance) with a copy of the Indemnity to Hirers document detailing the cover provided.
- Collect the premium (12% of the room hiring fee). To reduce administration costs this can be retained by yourselves.
- Retain all associated paperwork to support the above for audit and insurance purposes.
- Complete the Register of Hirers and retain for audit and insurance purposes. (Excel form available on the Risk Management & Insurance pages of the Intranet and the Learning Gateway).

### What do you charge?

The hirer can purchase Third Party Hirer's insurance for 12% of the charge of the **room** (not including other facilities). If no charge is being made for the hire then 12% of the usual charge must still be made.

Examples:

Room Hire	£30.00	Room Hire	£30.00
TP Hirer's insurance (£30 x 12%)	<u>£ 3.60</u>	Equipment Hire	£50.00
TOTAL CHARGE	£33.60	TP Hirer's insurance (£30 x 12%)	<u>£ 3.60</u>
		TOTAL CHARGE	£83.60

### Flowchart

