



# Introduction to Insurance

**for Shared Lives Carers**

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Advising individuals and business on protecting their assets

This booklet has been compiled by Ellis Bates Insurance Brokers Ltd for members and associates of NAAPS UK Ltd for whom Ellis Bates have been providing social care insurance schemes and facilities for over a decade.

This booklet is not intended to be a comprehensive document covering the finer detail of insurance but is intended as an overview of the principal insurance policies available to Shared Lives Carer members of NAAPS through Ellis Bates and to explain some of the insurance principles and issues surrounding social care.

## 1. Regulations

Under the Adult Placement Schemes (England) Regulations 2004 there are 2 relevant regulations relating to insurance that have to be adhered to, being:

### ■ Regulation 17: Carer Agreement

This specifies the mandatory insurances that have to be taken out and maintained by a Shared Lives Carer, specifically Public Liability and Household insurance and, where appropriate, motor insurance.

### ■ Regulation 21: General Conduct of an Adult Placement Scheme

This specifies the need to ensure the safety of service users including the need to safeguard them against abuse, harm, neglect and also to ensure the safety and security of the service users' property.

It is necessary for Shared Lives Carers to arrange the insurance covers required by the regulations. Unfortunately, most standard 'off the shelf' public liability and household policies **do not provide the necessary cover**. NAAPS have therefore requested Ellis Bates to provide a range of policies tailored to the requirements of Shared Lives Carers

## 2. Public Liability Policies – What is Public Liability Insurance?

This covers the Carer against civil claims (being sued) brought against the Shared Lives carer by third parties (that is any member of the public or an organisation), which could include service users.

When you are caring for someone, sometimes things may go wrong but whilst you may feel morally responsible, you may not have been at fault; you may not be legally liable.

Public Liability policies cover you for compensation payments that you may be forced to pay for bodily injury or property damage to others, **where your actual legal responsibility and fault can be proven**.

The policy provides a maximum indemnity of £5,000,000, which includes any legal costs in defending or dealing with the claim.

Public Liability is not the same as:

- **Employers' Liability.** This Employers' Liability insurance is a statutory requirement for employers who have employees under their control. As Shared Lives Carers do not employ staff, Employers' Liability insurance is only usually available to Shared Lives Schemes.
- **Personal Accident insurance.** This means that if someone is injured the Public Liability policy only pays if the carer is found to be negligent and responsible for the injury. Personal Accident policies pay compensation for injury irrespective of blame.

### 3. Types of Public Liability Policies available to Shared Lives Carers

There are different policies available to NAAPS Shared Lives Carer members with different premiums which reflect the various risks associated with each category of service provider, which are broken down as follows:

#### ■ **Standard Policy**

This covers both longer term and short breaks approved Shared Lives Carers who provide accommodation and care in their own homes for 29 days or more in any year. It also provides cover for approved shared lives carers providing kinship support through a shared lives arrangement agreement. The policy may by naming them include up to four support carers which may include the spouse/partner of the carer, the main supporting family member and/or a single named approved support carer working alongside the main carer. The policy also covers any approved Shared Lives support carer who substitutes for the main carer in their absence for up to 28 days. Where substitution takes place for longer than 28 days then by arrangement and agreement of the Shared Lives scheme the policy can be temporarily transferred subject for an additional premium.

#### ■ **Approved Shared Lives carers providing 28 days or less support in a year Policy**

Discounted premiums are available for approved Shared Lives carers providing accommodation and care in their own homes for 28 days or fewer in any year. Cover is the same as for the Standard Policy

#### ■ **Day Support Policy**

This provides Shared Lives Carers with cover for care without accommodation and protects those Carers who provide day support services using their own home as a base. .

#### ■ **Support carers and kinship carer Policy**

Support carers who assist the main Carers may need to have public liability cover of their own, principally where the main carer does not have a NAAPS Public Liability Policy. Where applicable heavily discounted premiums are available for support carers, which properly reflects the work undertaken either in the main carer's home, the service users home or in the community. If the main carer is a NAAPS policyholder, then support carers are covered without additional premium charge.

**Note** – A support carer is a person who may either work alongside a main carer or substitute for them in the main carers home in the absence of the main carer. In all cases they will be approved by the Shared Lives scheme.

### 4. Household and Personal Belongings Cover

Household policies generally define the Insured as “the policyholder, policyholders spouse and any member of the Insured's immediate family under the age of 18 years.” Relying on standard household policies may result in limitations in insurance cover as described below:

- Service users residing with the Shared Lives Carer may not be automatically covered under a standard household policy.

- Household policies cover property used for private use only and exclude loss or damage caused by acts of tenants or lodgers, as insurers treat income from lodgers as business use of the home.
- Household policies normally cover theft that does not require there to have been a physical break in. Business policies have a 'forcible and violent entry' clause so there has to be a forced entry before they pay the claim. By having service users in your home for which you as a carer receive a payment, a situation is created where theft cover may be completely invalidated.
- Accidental damage cover is usually not available to houses used in any way for business purposes.
- There is no cover in respect of contents or fixtures and fittings used in connection with a business or trade. Given that carers are paid for the services they provide to service users in their own home, they may be treated as a business and find they have no cover for the contents of the accommodation occupied by the service user.

Household insurers are however often prepared to tailor cover to meet the circumstances of the household, usually for an extra premium. Shared Lives carers should check with their current insurers to determine whether their existing policy provides the right cover. A declaration form which can be submitted to insurers that has been prepared by Ellis Bates is available for this purpose through the Shared Lives scheme.

NAAPS has recognised the difficulties that some Shared Lives Carers have faced in getting adequate and affordable household cover and has asked Ellis Bates to work with insurers to develop a tailored product. They have been successful in persuading certain insurers to recognise the service users as joint policyholders. These special arrangements ensure that the policies provided through Ellis Bates to NAAPS members are affordable and do not have the exclusion clauses described above.

## 5. Frequently Asked Questions

### ■ What are the limitations of a standard household policy which may lead to a SL carer not being properly insured?

A standard household policy does not cover:

- Non family members
- Personal or public liability arising from work as a Shared Lives Carer
- Items owned by non family members
- Support carers (domestic servants under house policies do not include support carers who have a very special skill set)

Note that where the SL carer is receiving payment for supporting a service user they will be deemed to be operating a business, in the eyes of insurers and without discussion with the insurer a standard domestic household policy may not apply.

### ■ Is it easy to obtain travel insurance for service users?

Service users with health conditions and/or disabilities will need to be medically screened for all sections to be valid. Ellis Bates can arrange this with a sympathetic insurer. Not everyone can get the cover they want but many can.

### ■ What are the motor insurance issues for Shared Lives Carers?

- Social domestic & pleasure use is not sufficient for carers, Ellis Bates can supply the required Class 1 (personal business use) cover at social domestic & pleasure rates
- Occasionally a vehicle may have to be modified to provide more convenient carriage for a service user with particular needs. All modifications to vehicles have to be declared to the insurer. Ellis Bates have agreed no extra costs for NAAPS members who have such needs, providing that the modifications have been carried out by a professional garage company

■ **What happens when I go on holiday and ask a Support Carer to move into my house while I am away?**

The SL policy automatically provides member's cover for a Support Carer to replace them for 28 days at any one time within the member's own home, without the need to refer to Ellis Bates. However, any such Support Carer must be approved by the Shared Lives Scheme and such holiday cover must have been agreed with the Scheme.

■ **What if I go on holiday and the service user is to stay with someone else?**

The respite carer must have his/her own public liability insurance policy. If they are a NAAPS member they can access this through Ellis Bates.

■ **What are the issues regarding residents with extreme challenging behaviour or psychotic episodes and how do I know when the behaviour is deemed by the insurer to be extreme?**

- The definition of challenging behaviour is that of such intensity, frequency or duration that the physical safety of the person or others is placed in serious jeopardy.
- Psychotic episodes are mental disorders in which the personality is seriously disorganised and a person's contact with reality is impaired that may result in delusions or hallucinations.
- The policy provided by Ellis Bates accepts that service users may well have disabilities that may result in behavioural problems. This is covered although extreme behavioural problems as defined above (and more specifically in the policy) are not always the responsibility of the carer. Just because a service user is under the carer's care, doesn't mean that the carer is responsible for all the actions of the service user.

■ **Are risk assessments essential to the insurance policy?**

Risk assessments are a regulatory requirement and form part of the service user assessment and plan for all Shared Lives arrangements and are also a condition of the public liability policy.

■ **What cover do I get under the DAS legal expenses policy which is part of my NAAPS membership?**

- **Legal Defence for:**

- \* criminal prosecutions including accusations of abuse or neglect (excluding parking offences or uninsured use of a motor vehicle).
- \* civil action for unlawful discrimination
- \* health & safety or data protection prosecutions

- **De-approval**

- \* provides representation in situations that lead to the removal of existing approval as a carer and in any subsequent appeal.

■ **What happens if I am late paying my premiums?**

From 1 September 2009 there is now a maximum of 30 days past renewal date within which you have to make payment. After the 30th day the cover is lapsed and may breach a scheme requirement. Re-instating the cover after this 30 day period will result in a £30 administration charge to set up a new cover.

■ **How should service users' property be insured?**

With regard to service users' property and where the carer does not have the NAAPS Legal & General household insurance policy, then carers can in consultation and with the agreement of the service user and/or their representative arrange a Service Users Personal Belongings policy. The policy available from Ellis Bates protects the belongings of service users up to £7500 on an All Risks basis, thereby meeting the rules.

■ **Can Travel Insurance be arranged for people in shared lives arrangements?**

The travel policy has a sympathetic and discreet medical screening facility, which can accommodate many pre-existing health issues including persons with learning disabilities.

■ **What other financial planning facilities are available to NAAPS members through Ellis Bates?**

Mortgage advice is available to carers looking to take out a new mortgage or re-mortgage their properties. A full range of financial planning advice is available on all areas of life insurance and retirement planning.

■ **What are the benefits to being a NAAPS member as far as insurance cover is concerned?**

- The rates agreed with NAAPS are discounted rates from those normally offered to carers. Frequently, the premium savings from standard policies can exceed the cost of NAAPS membership fees.
- NAAPS understand the regulatory intricacies of Shared Lives schemes and the needs of Shared Lives carers. All policies provided are upgraded accordingly to provide covers specific to carers needs and are checked and approved by NAAPS to ensure compliance with regulatory requirements

**Conclusion**

We hope that this guide to insurance is helpful to you.

If you should ever have questions on any insurance topics then as a NAAPS member you are our valued customer and we are happy to hear from you and will do all we can to help.

Our offices are open Monday to Friday during normal business hours and the direct line number for the team is 01423 724518.

Should the reader have any questions or issues they should refer to [steve.arthington@ellisbatesgroup.com](mailto:steve.arthington@ellisbatesgroup.com) who will be happy to assist.



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