

# Insurance for Archaeology

## Guide 27



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Insurance can be seen as a major cost for a small business owner, and some local societies are put off by potential expense, but when it comes down to it there are a number of good reasons why you should be insured, and why it is not as bad as you may think.

This short guide also looks at the benefits as well as answers some frequently asked questions.

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“Choose a job that you like and you will never have to work a day in your life.”  
Confucius.

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## Introduction

Due to a lack of understanding of the insurance needs of archaeologists by the insurance industry, archaeology has always been classed alongside higher risk occupations such as architects or the construction industry.

This is where Towergate Insurance can help.

They can tailor policies to clients' demands and needs and have contacts and arrangements with insurers who have a knowledge of archaeology and the related insurance risks:

- Public and employers liability
- Professional indemnity
- Cover for hired plant and own equipment
- Personal accident insurance
- Office insurance
- Listed building insurance
- Travel insurance
- Directors & Officers with Charity Trustees liability

BAJR has worked together with Towergate Insurance to provide this simple guide that looks at some of the reasons why insurance is important and the main types of insurance you can expect to need. Remember that every case is different, and you should contact Towergate Insurance's Archaeology and Heritage division to discuss your particular needs and to receive a full quote. [www.towergate.co.uk/archaeology](http://www.towergate.co.uk/archaeology)

### Archaeology insurance

#### PUBLIC LIABILITY

Public liability insurance is designed to cover businesses from the risk of being sued by a member of the public. The basic concept of public liability insurance is that it covers financial damages and legal expenses arising out of the death, bodily injury or damage to property suffered by members of the general public that have been caused by you or your business. The amount of cover required is usually at least £2 million.

This insurance is not usually required by law (there are certain exceptions to this), however, it's increasingly important that small businesses, societies, groups and even individuals protect themselves from the risks that are presented when they come into contact with the public or public property

Here are a couple of examples of how a claim could arise:

*You are working on a site and a member of the public trips over some buckets you left on the footpath and is injured.*

*A member of the public comes into your site on an open day and slips and is injured on the wet ground that wasn't marked with any warning signs.*

*Working in a field and hitting an underground drain which has not been forseen.*

Public liability insurance applies to all businesses as it is the most basic and necessary cover. Policies are relatively cheap and will help protect your business if you are pursued by a third party.

## EMPLOYERS' LIABILITY

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If you employ staff you must have employers liability insurance, failure to do so can lead to a fine of up to £2,500 a day where no cover was in place. Employers liability insurance enables you to meet the costs of compensation and legal fees. Employees injured due to an employer's negligence can still seek compensation even if the business has ceased to trade.

Even if you use self-employed staff, unpaid employees or volunteers you will still need employers liability insurance.

Companies that employ staff regardless of their hours (full time, part time or charitable) must ensure adequate protection in the form of employers' liability insurance. Employers' liability insurance allows your company to fund compensation and legal fees incurred from employees who are killed, injured or made ill at work (this includes mental anguish and stress).

For many years employers' liability insurance cover was compulsory for all firms, this was relaxed last year in a move that freed about 300,000 sole traders in the UK from the obligation.

But you may still need employers' liability insurance cover in certain scenarios where you use self employed staff or work with volunteers who you are in charge of.

Here are a couple of examples of how a claim could arise:

*While working on a site a member of staff is hurt when a chair in the rest area collapses.*

*A volunteer becomes ill when drinking water out of the wrong barrel on your weekend training site, the mixup was an accident, but they are off work for 2 weeks with stomach pains.*

## PROFESSIONAL INDEMNITY

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Professional indemnity (PI) insurance provides cover for claims brought against the policyholder due to their professional negligence:

### **Negligent act, error or omission**

This indemnifies the policyholder against loss/circumstances incurred only as a result of their negligent act, error or omission in carrying out the policyholders business. This is the narrowest form of cover

### **Breach of duty**

A typical PI policy will provide indemnity to the insured against loss arising from any claim or claims for breach of duty which may be made and reported to the insurers during the policy period by reason of any neglect, error or omissions committed in the conduct of the insureds professional business.

### **Civil liability**

Some PI policies go further than the standard cover and provide indemnity 'for any civil liability'. This covers such areas as breach of contract, libel and slander. (Some standard cover policies may also include libel and slander as extensions to the policy wordings if required.)

*Because the operative clause of a 'civil liability' policy is so wide, there is normally a long list of exclusions in order to exclude liabilities that should be covered elsewhere - otherwise things like Employers Liability (EL) and Public Liability (PL) might be covered.*

## Who, Why, What and How?

Lets look at some of the frequent questions and cases often asked about the basic requirements for Insurance - and remember get in touch with **Towergate Insurance**, and they will deal with you as an individual case.

### Q1. Who needs it and why?

**A.** Everyone needs it, but what they need depends on their requirements and what they do. Businesses and self employed persons working for themselves can generally expect to require different types of insurances to cover their liabilities, their assets and their cash-flow. The same is true for Archaeology Societies.

### Q2. What types of insurance do I need as a sole contractor?

**A.** The type of insurance depends on the work done again.

If the work is purely field based work then PublicLiabilityInsurance to cover injury to a 3rd party and damage to a 3rd party property is generally a good idea.

EmployersLiability is compulsory in law if employing the services of anyone for assistance in this work – this extends to casual labour, paid employees, bona-fide subcontractors and unpaid volunteers – the only exceptions are immediate family members for sole traders but if the Sole Contractor is a Limited Company than this exception does not apply.

*See also Q3 below.*

Professional Indemnity insurance is recommended for any sole contractors or businesses providing professional advice and services - in the event of any error, omission or wrongful advice they could be sued as a result of someone making a financial loss – they can also be sued for libel/slander, loss of documents and also misinterpreting a job specification.

### Q3. Do I need insurance if I am self employed but working as a sub contractor?

**A.** There are two types of Subcontractors, Labour-only Subcontractors and Bona-fide Subcontractors.

Labour Only Subcontractors do not need to buy Public Liability as a general rule while Bona-fide Subcontractors definitely do. When getting employers liability insurance an important thing to know is the difference between labour only subcontractors and bona-fide subcontractors. There is quite a simple difference but getting it wrong could mean either paying for insurance that isn't necessary or not having the correct insurance in place which could mean you are breaking the law. Here's a brief explanation to help you.

#### **Labour only subcontractors**

Sub-contractors that are employed as "labour only" work under your supervision and direction, and use your materials, tools, etc. A contractor would normally take on labour only subcontractors to assist with a job that requires extra employees. The sub contractor is paid wages by the main contractor and is classed as an employee (*or as a self employed worker*). Employer liability insurance is therefore required by law for each of these people.

#### **Bona-fide subcontractors**

Sub-contractors that are used as "bona-fide" work under their own supervision and direction, and provide their own materials, tools, etc. A contractor would normally take on bona fide subcontractors to perform a particular job within his larger contract that he is not able to do (i.e. a building contractor constructing a new house may call upon an archaeological contractor to do all the archaeological work pre-build and watching brief during build). The sub contractor is paid by the main contractor as if it was a normal separate job for a customer. The sub contractor should have their own liability insurance in place but it is vital (and a condition of their insurance) that the main contractor checks this for their own protection.

#### Q4. Can other archaeologists work with me on my insurance?

**A.** Depends on the relationship between them – see above.

#### Q5. If volunteers work with me, are they covered?

**A.** Volunteers would be covered by your Public Liability but you will also need to take out Employers Liability to cover them and you.

#### Case Study 1:

*I am a Self Employed Archaeologist who is working on a site that I am sub-contracted for. I am expecting to work for 2-3 months but then will be doing other non field work. What insurance do I need, Can it cover just the period when I am in the field?*

*Roughly how much are we talking?*

**A.** Insurers will generally not issue short period policies for this type of insurance. Besides, field work is not the only time when insurance is required. Again depends on the type of insurance required. Some of the points will be covered above. £2m Public Liability only based on annual earnings of up to £10,000 will cost under £100 p/a. As the prices are so low the insurers do not consider short-period policies.

#### Case Study 2:

*I am a Self Employed Archaeologist who is working on a site with local volunteers who want to get involved. The project is only 2 weeks long, but is HLF funded. What insurance do I need to cover the 2 weeks?*

*Roughly how much are we talking?*

**A.** As you are employing volunteers to assist in the work, you need Employers Liability as you are responsible for their Health & Safety whilst under your supervision. You would also need the Public Liability cover. The public Liability cover would start from £95 and the additional employers' liability cover would be £2.89 per volunteer subject to a minimum of £56.

#### Case Study 3:

*We are a Local Society of 30 people who is work on a site with volunteers who want to get involved for 2 months a year. We also take trips to see sites in the area – using our minibus and approved driver.*

*What insurance do I need to cover this time in the field?*

*Roughly how much are we talking?*

**A.** See answers to Case Study 1 & 2

*All prices are approximate and subject to change and based on our experience of buying insurance cover from Towergate (prices correct as of August 2009)*

Get in touch

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