



**WRIGHTSURE**  
insurance group



# GROUP ORGANISER LIABILITY INSURANCE

**What you should know  
and do you need it?!**



**AS A GROUP ORGANISER do you know how YOU are affected if you do not have insurance to cover PUBLIC LIABILITY related claims, or the legal requirements included in The Package Travel and Linked Travel Arrangements Regulations 2018, whether travelling in the UK or abroad? Has your employer/charity got YOU covered? BEST TO CHECK!**

**DAY TRIPS**

Group Organisers have exposure when operating day trips in the UK – for example day trips and theatre trips. It is important to ensure adequate Insurance cover is in place to protect the Group Organiser

and just as importantly, personal assets as well. Insurance is a means of protection from financial loss, which can be substantial, as the case study below highlights:

**DAY TRIP CASE STUDY**

A Group Organiser arranges a day trip to the Ideal Home Exhibition. Upon arrival, the Group Organiser asks everyone on the coach to be back on the coach by 17.15 to depart by 17.30. All but two of the passengers are back on the coach by 17.15 as requested, awaiting the arrival of the last two passengers.

Sometime after the scheduled departure time, there was no sign or contact from the remaining passengers, so the decision was made by the Group Organiser to depart, primarily to ensure the coach driver would not be in breach of 'driving hours' legislation.

A while later the Group Organiser receives a phone call from one of the missing passengers asking 'where the coach had gone?' The Group Organiser explained that the coach had to leave or the driver

would have been in breach of his driving hours. The late passengers therefore had to make their way home at their own cost.

The Group Organiser was subsequently sued on the basis that the claimant was of the belief that all passengers were instructed to be back on the coach by 17.45 and not 17.15.

The fact that all the other passengers turned up at the correct time meant the case was dismissed. However the legal expenses associated with the defense (which was paid for by the Group Organisers' Insurers) came to over £12,000!

It's therefore easy to see why it is so important to ensure you have adequate Liability Insurance in place, regardless of whether you are self-packaging holidays or short breaks, using the services of a Bonded Tour Operator, or indeed *only running Day Trips*.

**TOURS, HOLIDAYS & SHORT BREAKS**

When a Group Organiser arranges a holiday or short break at an 'inclusive' price, it is more than likely that the 'package' they are providing falls within the scope and legislation of The Package Travel and Linked Travel Arrangements Regulations 2018.

This means that the Group Organiser will assume responsibility for the acts, errors or omissions of the suppliers and sub-contractors connected with the components included in the 'package'. ie. Coach Company/ Hotel/Accommodation/Attraction etc.

This can be very costly if something goes wrong and the Group Organiser is not working with a bonded Tour Operator.

If the 'package' has not been booked through a bona fide Tour Operator, the other consideration for Group Organisers whose activities fall within the scope of The Package Travel and Linked Travel Arrangements Regulations 2018, is how do you protect the monies paid to you by the members of your Group?

For Group Organisers there are only two options – Trust Account or Financial Failure Insurance.

Whilst the Trust Account route may sound favorable it is somewhat inconvenient. There is a detrimental impact on cash-flow, as all monies must be paid in to the Trust Account and cannot be released, or any part of it used to pay suppliers, until the trip has returned home.

Additionally the Trust Account must be administered by an 'Independent Trustee' unconnected with the Group Organiser. Also, a Trust Account does not give ATOL protection if the group is flying.

There is also a requirement for Repatriation Insurance to be purchased when monies are held in trust as per The Package Travel and Linked Travel Arrangements Regulations 2018 (section 24).

The definition of a Package Travel Contract means a contract on a package as a whole or, if the package is provided under separate contracts, all contracts covering the travel services included in the package.

The liability which a Group Organiser faces can be significant. Legal Costs and compensation payments can easily run in to tens of thousands of pounds. As indicated previously, many Group Organisers use the services of a Bonded Tour Operator which (as long as all payments are being made directly to the Tour Operator

by the client), means that the Group Organiser is not the 'principal' and is therefore exempt from liability emanating from The Package Travel and Linked Travel Arrangements Regulations 2018.

**COST OF INSURANCE**

The cost of Tour Organisers Liability Insurance for non-Travel World Association members is very expensive, making the purchase of essential Liability Insurance cost prohibitive.

With Wrightsure, premiums start from just £400 plus Insurance Premium Tax 12% per annum, or £350 plus Insurance Premium Tax @ 12% for day trip only cover\*.

The Travel World Association Group Organiser Liability Insurance scheme is underwritten by Vantage Underwriting Agency, one of the UK's leading specialist underwriters of Tour Operators Liability Insurance, giving Travel World Association Group Travel Organiser members peace of mind ahead of each and every trip.

**SO WHAT COVER IS PROVIDED UNDER THE TRAVEL WORLD ASSOCIATION GROUP ORGANISER LIABILITY INSURANCE SCHEME?**

Public Liability		
Limit of Indemnity	£2,000,000	Any one claim
Professional Indemnity		
Limit of Indemnity	£250,000	Any one period of insurance
Insured's contribution		
Public Liability**	£250	Any one person In aggregate (combined)
	£1,500	
Professional Indemnity Insurance	£250	Any one person In aggregate (combined)
	£1,500	

\* Day trip is defined as a trip of one day's duration that doesn't include overnight accommodation. See notes overleaf: INSURANCE COVER EXPLAINED

\*\* Limited to £250 each and every claim for Property Damage claims only in relation to the day trip only product.

**Who to contact:**

For further information regarding the Travel World Association Group Organiser Liability Insurance scheme, please contact **Andrew Day, Business Development Director** on **01329 828228** or alternatively by email, **twa@wrightsure.com**

# INSURANCE COVER EXPLAINED

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One of the most common things asked is to explain the difference between professional indemnity and public liability insurance.

The key issue that separates these insurances is the duty of care each seeks to protect. You have a liability under common law to *not do any damage to anyone or their property or cause them to suffer a financial loss*. As a professional, this duty can be separated into one of two types – your “general” duty and your “professional” duty.

Everybody has a “general” duty of care best exemplified as when walking down a street you must take care to avoid knocking over other people also walking along the same footpath. This liability is insured by **Public Liability insurance**.

When you undertake academic training to become a professional and hold yourself out as a professional it is reasonable that the general public – including your customers – consider you an expert in your professional field of endeavor and therefore are entitled to rely upon your professional expertise. This is your “professional” duty, best exemplified by making sure that any advice/service you provide is accurate and complete. Any mistake you make in giving this advice or your omission to provide complete advice is protected by **Professional Indemnity insurance**.

**PUBLIC LIABILITY INSURANCE** covers legal liability for claims arising out of personal injury or property damage as a result of an occurrence in connection your business activities. “Connection” is considered to require actual or alleged causation by your business.

‘Products liability’ is a relatively standard extension to Public liability insurance that broadens the cover to include personal injury or property damage arising out of your products, including tangible goods that are manufactured, sold or maintained by your business. The policy is “triggered” by the nature of the claim defined in the insuring clauses namely personal injury or property damage. Public and Products liability insurances do not normally cover pure financial loss claims where no property damage or personal injury has occurred.

## **Public Liability Insurance – simple definition**

Accidents do happen, from time to time. That’s the nature of running a business or being a group organiser. Having public liability insurance in place helps set your mind at rest, keeping you covered if a customer or member of the public suffers a loss or injury because of your trip.

## **What does Public Liability Insurance cover?**

Public liability insurance covers **you** if a third party (not an employee, but probably a client) claims for property damage and/or bodily injury against you or your company/group.

Obvious claim examples include a visitor to your ‘office’ (if you work in an office or from home), slipping on a loose step, the classic cup of tea or coffee split over a client’s laptop, or something else that causes a client to be unhappy with you or your company/group!

Claims for bodily injury are particularly expensive and time-consuming (that’s why levels of cover start in the millions rather than the thousands). They are problematic enough for experts to deal with so what chance do you have? Having public liability insurance means your insurer takes the hit instead. They appoint legal experts (and pay for them) and stump up for any damages or compensation if things don’t go your way.

In simple terms, you don’t have to lift a finger. A potentially disastrous situation is resolved with expert attention and, with any luck you get to keep both your client and your good relationship with them.

**Do you need Public Liability Insurance?** It’s not a legal requirement for Group Organisers, but it is highly recommended!

**PROFESSIONAL INDEMNITY** generally covers legal liability for claims arising out of an actual or alleged breach of your professional duty, unlike public liability insurance, the claim types are not normally defined in the insuring clauses of the policy and therefore can include personal injury, property damage or financial loss. A professional duty of care generally includes the provision of professional services including design, advice or formula.

## **Professional indemnity insurance – simple definition**

In a nutshell, professional indemnity insurance – known in short as *PI insurance* or, in some cases, just *indemnity insurance* – can provide you with cover for claims made against you due to a problem with your work, advice or process. For example, it could protect you against a compensation claim from a client for negligence or mistakes, covering the potentially expensive legal costs.