



# Guidelines for Hut Managers

No. 6 July 2018 \*



## Combined Liability Insurance Protection

### Scope and Context

All clubs that are affiliated to the BMC or Mountaineering Scotland and all their members are covered by combined liability insurance as a benefit of membership. This guideline summarises the key points of the cover provided under the respective liability policies.

Detailed information, including confirmation of liability cover and policy wording can be found on these websites maintained by the BMC and Mountaineering Scotland insurance broker, Howden, formerly Perkins Slade –

[www.bmc-insurance-centre.co.uk/](http://www.bmc-insurance-centre.co.uk/)

▪ <http://mountaineering-scot-insurance.co.uk/>

Specific enquiries should be directed to the broker using the link provided on these websites.

This guideline explains how the combined liability insurance covers those who manage huts.

The confirmation of liability cover states that the policy is extended to cover: “Representation on any management committee or acting as a trustee with respect to the operation of mountaineering huts.”

Clubs that have insured their hut for buildings and contents via the BMC will find that there is no liability cover provided by that policy because it is already provided by the BMC or Mountaineering Scotland liability insurance. Clubs that have insured their hut with another provider should check whether that policy also provides public liability cover as they may be paying for duplicate cover unnecessarily.

### What is a combined liability insurance policy?

A combined liability insurance policy is designed to protect individual members, club members, officers, committee members and trustees against any circumstance under civil law such as:

1. *Public liability* – Accidental bodily injury to third parties and/or damage to third party property arising out of mountaineering activities.
2. *Products liability* – Accidental bodily injury to third parties and/or damage to third party property arising out of any goods sold or supplied by members of the club.
3. *Professional indemnity* – Loss (financial or otherwise) arising out of any errors or omissions, e.g. bad advice.
4. *Libel and slander* – Includes defamation.
5. *Directors’ and Officers’ liability* – Legal liability protection in respect of mismanagement.
6. *Owners’ liability* – the policy is also extended to protect against liability arising out of the use, ownership or possession of any club premises, e.g. mountaineering huts.

### How could liability attach to members of a club?

First, it is necessary to explain that liability actually attaches to individual members of clubs, not to the club itself, unless the club is incorporated (see note below). Most mountaineering and hill walking clubs are unincorporated and therefore they have no legal personality of their own.....

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own, unlike companies limited by shares or guarantee (or partnerships in Scotland, but not in England). Because clubs are unincorporated their property – the legal title to land and buildings – has to be held in the names of individual members (minimum 2, maximum 4).

So as far as clubs are concerned, all members of a club are equally liable at law (unless their club is incorporated as a private limited company or a mutual society) in the event of any claim arising from, or in connection with, its activities, for example in respect of its hut.

In practice, the claimant would address a claim to a limited number of individuals. In the case of a claim involving an accident at a hut the claim would most likely be addressed to the hut warden or custodian, the officers and members of the committee and the trustees. Any individual singled out to defend a claim would be entitled to an indemnity from the membership on whose behalf they were acting in respect of the claim itself and associated costs to the full extent of any uninsured losses over and above the maximum limit of the indemnity cover provided by the combined liability protection policy, currently £M 15 for the BMC and £M 10 (increasing to £M 15 in 2019) for Mountaineering Scotland.

Liability can attach to the collective membership of mountaineering clubs, including clubs incorporated as private limited companies or mutual societies in respect of the hut(s) they operate, for example:

- A member or third party (guest, child, prospective member) could be injured by faulty or poorly maintained club premises.
- Food poisoning could be suffered by a member or a third party from materials either made or distributed by a member or members of the club at an event organised by the club, or illness could be caused by a contaminated water supply to a hut.
- Should a landowner's gate be left open and cattle or sheep escape and cause third party injury or damage.

**Note:** *Clubs may incorporate themselves, usually by registering as a company limited by guarantee or as a mutual society. Such a company has no share capital. The members guarantee that in the event of the company going into liquidation they will each contribute a specified amount, say £5. Thus, their liability is limited to £5. The company's liability is unlimited – all its assets (such as a club hut if owned by the club) are available to meet its debts, e.g. those for which the company may be liable in the event of a claim against the company that is not covered by the liability protection policy or exceeds the limit of the indemnity.*

## Huts and commercial lettings

To obviate any possible misunderstandings concerning the cover provided by the liability insurance policy in relation to what may be termed “commercial lettings” the insurance broker (formerly Perkins Slade, now Howden) and the BMC issued the following statement to clarify and confirm the position regarding their interpretation of the policy:

“The BMC combined liability insurance policy will provide cover in the event of you hiring out to BMC members, BMC affiliated groups and non-members, including non-affiliated clubs, educational groups and commercial operators. It will not cover for any additional liability you have taken on under contract with commercial operators unless you would have been responsible for that liability under civil law anyway. It will provide cover on the basis that:

- (i) The club is not seeking to operate commercially other than to make money that (ii) be re-invested for the benefit of the club. An indication of operating commercially would be taking on a paid employee to support these activities, and distributing profits amongst the club members.
- (ii) The cover provided .....

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- (ii) The cover provided will protect the club in the event of liability arising out of ownership/hiring out of the accommodation. It will *not* provide any cover for the activities (on the mountains) of the occupants unless, of course, they were BMC members, either individual or club. This is on the assumption that the club is hiring out accommodation only, *not* accommodation plus trips/activities etc.”

**Note:** *This is not an endorsement to the policy, rather it is simply a statement confirming the interpretation of the combined liability insurance in the context of hiring out huts to commercial operators, educational groups etc. The charges levied by the club are irrelevant.*

*As regards combined liability insurance cover provided to members of Mountaineering Scotland on a separate policy, the above statement also applies.*

## **Employers' Liability Insurance cover (ELI)**

Cover provided by the combined liability policy can be extended to include an indemnity to protect the club in respect of legal liability for damages and legal costs arising out of death or injury caused to employees in the course of their employment, e.g. building work at the club hut. The term 'employee' includes members of the club carrying out voluntary work on behalf of the club but it is important to note that it only covers volunteers carrying out "light maintenance work". Note that that cover is not included for any work at height, use of chainsaws, work on gas appliances or electrical work that requires Part P certification. If a club has volunteers who intend to undertake such work it should be referred to Howden for approval before it commences. To see the information insurers will need you to provide follow the appropriate link below and follow the further link on the webpage –

<http://www.bmc-insurance-centre.co.uk/organisers> ▪ <http://mountaineering-scot-insurance.co.uk/organisers>

Once a club has applied for ELI the cover is automatically renewed each year but the club should inform the insurers immediately of any change in circumstances, including change in contact details.

See Guideline15 *Employers' Liability Insurance* for further information.

## **Reporting an incident**

All incidents involving injury or damage to a BMC or Mountaineering Scotland member or third party must be reported to the insurers within 21 days. This is a legal requirement. A copy of your notification should also be sent to the BMC or Mountaineering Scotland office as appropriate. If the incident could lead to a court case, you should report the incident immediately. It is better to be safe than sorry and to report any incident or injuries which might result in a claim at some point in the future. Individuals have up to three years to decide whether or not to make a claim. Under 18s have until they are 18 years old plus three years to make a claim. It is better to have reported the incident and have no claim arise from it, rather than not to report the incident and suddenly have a claim 3, 4 or 5 years later. Incidents involving a possible liability claim should be notified to the insurers by the party likely to be sued, e.g. the hut managers or the club, rather than the injured party.

Incidents concerning allegations of abuse should be reported to the BMC or Mountaineering Scotland *immediately* in order that details can be notified to the insurers. Advice regarding the types of incidents that should be reported, and what information should be provided, can be accessed by following the appropriate link below –

[www.bmc-insurance-centre.co.uk/report-incident](http://www.bmc-insurance-centre.co.uk/report-incident) ▪ <http://mountaineering-scot-insurance.co.uk/report-incident>

See also Guidelines 11.1 (England & Wales) and 11.2 (Scotland) *Safeguarding Children in Mountain Huts*

**Important reminder.....**

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## Important reminder

Under no circumstances should you admit liability or agree to pay any damages caused as this may prejudice the position of the insurers and could result in the withdrawal of any indemnity. **N.B.** This is a *liability* policy where the insurers decide whether or not negligence attaches to you. Any payments you make to third parties, therefore, will not necessarily be reimbursed.

## Recommendation

Any reportable incident(s) should be recorded. The records must be kept for at least three years. Names and addresses of any possible witnesses should also be recorded. The register must contain the following information –

- date and time of the incident
- full name of the person injured, age, and nature of the injury
- place where the incident occurred
- brief description of the circumstances
- method by which the event was reported

## Useful links

- **The BMC**  
[www.thebmc.co.uk/members-liability-insurance](http://www.thebmc.co.uk/members-liability-insurance)
- **Mountaineering Scotland**  
[www.mountaineering.scot/clubs/advice-and-resources/club-insurance](http://www.mountaineering.scot/clubs/advice-and-resources/club-insurance)

**Note:** *If viewing this .pdf while online then clicking on any [URL](#) will take you to that website.*

## About Hut Guidelines

These guidelines have been produced by the Huts Group of the British Mountaineering Council and the Huts Advisory Group of Mountaineering Scotland to assist those operating mountaineering huts in Britain.

Contact the BMC Huts Group by e-mail – [huts@thebmc.co.uk](mailto:huts@thebmc.co.uk) or telephone 0161 445 6111

Contact the Mountaineering Scotland Huts Advisory Group by e-mail – [huts@mountaineering.scot](mailto:huts@mountaineering.scot)

**Websites:** [www.thebmc.co.uk](http://www.thebmc.co.uk) and [www.mountaineering.scot](http://www.mountaineering.scot)

**URLs:** If any of the URLs (web addresses) given on the preceding pages are found to be 'dead links' please notify [huts@mountaineering.scot](mailto:huts@mountaineering.scot)

**Disclaimer:** These guidelines were revised on the date shown below and the information herein is believed to be accurate at the time of writing. No responsibility can be accepted for any loss of benefit or entitlement arising through use of these guidelines – they are not intended to be definitive.

**Version no. 3 – July 2018**

These guidelines are updated periodically; to check on the currency of this version go to one of the websites above where the latest version will always be displayed.