

Insurance for Directors
(Overview of Arrangements – Annual Update)

Public Board
30 July 2026

Presented for:	Information
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Previous Committees:	Executive Management Team

Freedom of Information Act (FOIA) Exemption	☐ YES (restricted from the FOIA) ☒ NO (available to the public under the FOIA)
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Link to Strategic Objective	Focus on care quality, effectiveness and patient experience
Link to Provider Capability Assessment	Governance, risk and regulatory
Link to CQC Well-led Statement	Governance, Management and Sustainability
<u>Regulatory Impact</u>	Regulation 17: Good governance

Key points	Purpose
1. The Board are to receive the report and note the contents for both the organisation and for their personal liabilities, provided they have acted honestly and in good faith.	Information
2. The purpose of this paper is to annually formally minute this cover.	Information

<u>Risk Appetite Framework</u>			
Level 1 Risk	Level 2 Risks	(Risk Appetite Scale)	Impact
Workforce Risk	Choose an item.	Choose an item	Choose an item.
Operational Risk	Business Continuity Risk - We will develop and maintain stable and resilient services, operating to consistently high levels of performance.	Cautious	Operating within
Clinical Risk	Choose an item.	Choose an item	Choose an item.
Financial Risk	Choose an item.	Choose an item	Choose an item.
External Risk	Regulatory Risk - We will comply with or exceed all regulations, retain its CQC registration and always operate within the law.	Averse	Operating within

1. Summary

It is good practice for the Board and its Directors to receive a report that sets out the Trust's current insurance arrangements and thus the cover for the organisation and for Directors and senior officers.

2. Current Arrangements

From the late 1990's NHS Trusts' insurance arrangements have been mainly provided through membership of the NHS Resolution (NHSR) (formerly the NHS Litigation Authority) three main schemes e.g.

- Clinical Negligence Scheme for Trusts (CNST)
- Liability to Third Parties Scheme (LTPS)
- Property Expenses Scheme (PES)

Membership has not been mandatory, but NHS Trusts have been restricted in their ability to buy commercial alternatives.

The summary table on Page 4 provides an overview of the Trust's current insurance arrangements and their cost.

3. Directors and Officers liability

The LTPS scheme includes Directors and Officers Liability cover. It operates with no excess and no indemnity limit other than £250k in the case of pollutant discharge related claims. The scheme is designed to meet the costs of defending or settling claims **against individual Directors. It meets their personal liabilities provided they have acted honestly and in good faith.** It does not meet any costs associated with criminal actions.

At present, NHSR does not provide Public Liability cover for a number of income generation activities which are provided to non-NHS organisations (although this exclusion does not apply to Directors and Officers liability for NHS Trusts). A commercial top up policy is purchased each year to deal with this exposure. The policy provides PL cover for the international commercial contracts we are delivering.

4. Property Expenses

The Property Expenses Scheme operates with a maximum indemnity of £1m per claim. The scheme includes Business Interruption cover which in turn includes loss of profit. The rationale for such a low indemnity value has been that residual liabilities, in the event of catastrophic loss, would be dealt with by the Secretary of State (for example the fire at the Royal Marsden in 2008).

5. Other Insurance policies

Alongside the insurance cover listed above, other insurance policies are taken out to provide cover for activities which are conducted by individuals in the Trust as part of its overall operation. These include insurance policies for Trust vehicles, and plant maintenance for example.

There is a separate motor legal expenses policy as this is not provided by the transport insurance that the Trust has in place. Due to the variety of types of vehicles covered by the Transport insurance, specialist cover is provided through Lloyd's of London, and the specific insurer does not provide motor legal expenses.

The full list of insurance cover is found in the table on page 4.

6. Financial Implications

The summary table on page 4 sets out the insurance premiums. These have increased for external insurers this year due to an increase in insurance premium tax and an increase applied by insurers to cover claims and running cost increases.

7. Risk

The report sets out the insurance arrangements and cover for the organisation and for Directors and senior officers (as long as individuals act honestly and in good faith) and therefore continues to operate within the cautious risk appetite as defined by the Board for capacity planning and an adverse risk to regulatory risks. There are no changes to the risk appetite.

8. Communication and Involvement

Guidance is on the intranet for staff to contact Risk Management or Finance if a claim needs to be made.

9. Impact on Equality & Health Inequalities

This report has no negative impacts or opportunities for promoting equality and health inequalities.

10. Publication Under Freedom of Information Act

This paper has been made available under the Freedom of Information Act 2000.

11. Recommendation

Directors are to be assured that when carrying out their duties they will benefit from personal liability insurance cover, providing they act honestly and in good faith. **The purpose of this paper is to annually formally minute this cover.**

Directors are asked to note the content of this paper.

12. Supporting Information

Set out in the summary table on page 4

Martin Campbell Smith
Associate Director of Finance
8 July 2026

Summary of Trust Insurance Arrangements 2026/27

Policy Type	Provider	Excess Per Claim £	Indemnity Limit £	Premium 2026/27 £	Cover
Clinical Negligence	NHS R	Nil	Unlimited	52,379,098	Loss or injury arising from Trust negligence in diagnosis and treatment. Both NHS and private patients.
Liability to Third Parties - Employers Liability - Public Liability - Products Liability - Professional Indemnity - Directors & Officers	NHS R	10,000 3,000 3,000 3,000 Nil	Unlimited Unlimited Unlimited Unlimited Unlimited	531,116	Claims for loss or damage arising from non clinical activity. Covers claims from employees, students and volunteers as well as the public. Extends to claims arising for provision of goods and services to other NHS organisations. Specifically excludes income generation activity to non NHS parties.
Property Expenses - Buildings - Contents - Business Interruption - Money - Goods in Transit - Fidelity Guarantee - Contract Works	NHS R	20,000 20,000 1st 24 hours 20,000 20,000 20,000 20,000	1,000,000 1,000,000 1,000,000 var's to 250 20,000 250,000 1,000,000	155,735	General losses arising from fire, flood, theft etc. The excess levels apply individually to building and content losses but also in the aggregate to a combined claim. In the event of significant damage to a building and its contents the excess would be up to £40k.
Transport	ERS Fleetsure	250	Unlimited except for: £20m by car £5m by another vehicle	119,911.60	Comprehensive vehicle insurance for the Transport fleet.
Public Liability	QBE UK Ltd	10	100,000,000 except for: War £5m GDPR £1m Environment £1m Advertising £1m	22,321.86	Loss or injury arising from the provision of goods and services to non NHS parties.

Policy Type	Provider	Excess Per Claim £	Indemnity Limit £	Premium 2025/26 £	Cover
Motor legal expenses	Auto Legal Protection Services	Nil	100,000	526.46	Covers legal expenses for any insurance claims
Personal Accident	Chubb	Nil	2,500,000 (up to £5m per event)	4,124.23	Covers staff engaged in patient transfers (blue light), organ retrieval and A&E call out to incidents. "No fault" insurance which makes payment in event of injury, subject to scale of injury.
Professional Indemnity	Manchester Underwriting Management	10,000	5,000,000	10,080	Specialist insurance to cover Radiation advisory services provided by Medical Physics to Non NHS clients.
Travel	Towergate	Nil	Various Max. 50,000	2,969.60	Travel insurance to cover staff engaged in trips overseas as part of their employment
Engineering Inspection	Allianz Insurance Plc	N/A	N/A	34,997.33	Not strictly an insurance policy but traditionally provided by the insurance industry. Covers statutory independent inspection of boilers, lifts and other high risk plant.
Plant & Engineering	HSB Engineering Insurance Ltd	1,500 Accidental damage 2,500	owned plant – 664,518 hired plant – 50,000	8,011.64	Insurance to cover for damage to plant that is owned by the Trust or is brought in by contractors.
Drone Insurance	Tokio Marine Kiln	250	5,000,000 for third party damage 5,000 for invasion of privacy or noise claims	345.15	To enable operation of drone by Medical Illustration for aerial photographs.