



SOUTHERN FEDERATION of MODEL ENGINEERING SOCIETIES

INFORMATION SHEET No. 3

DATE: DECEMBER 2007

SUBJECT: INSURANCE INDEMNITY WITH REGARD TO GIVING ADVICE ON DESIGN OR SPECIFICATION

The question of liability cover has been raised with regard to club boiler inspectors, or for that matter members giving advice to one another, on a member to member basis. As you are aware, boilers, being built by club members, are required to be examined on a number of occasions during course of construction, when the boiler inspector may need to give advice as to rectifying existing problems and/or the way forward to the next step. The query raised was:

1. Is it permissible to give such advice under the terms of the Federation's insurance cover; and:
2. What protection does the Federation's insurance give?

The reply from our insurers, Royal and Sun Alliance is as follows:

Southern Federation of Model Engineers

It is confirmed that the Public Liability section of the above policy applies in respect of legal liability for injury and/or damage only and that it contains our standard exclusion number 6 which reads:

The indemnity will not apply to legal liability arising from or in connection with advice design or specification provided for a fee.

If members of the Federation do provide advice design or specification purely for a fee then there is a need for a Professional Indemnity cover which is available at extra cost depending on the individual case.

So, if you give advice freely you are afforded some insurance cover with regard to injury and/or damage arising from giving that advice – if you charge for that advice you definitely aren't covered. However, our insurance brokers, Footman James, can arrange Professional Indemnity cover, separate from the Federation's insurance policy, should you require it.

This information first appeared in the *Southern Federation News* dated December 2007.