

Insurance for Student Placements

8.1 Introduction

When considering insurance, you need to think about what could go wrong and who could be adversely affected. This section provides a brief summary of generally available insurance cover that is particularly relevant to student placements.

The need for the HEI or the student to provide specific insurance cover may vary depending on the nature of the placement and the insurance cover held by the Placement Provider. The cover available from the HEI's insurance will depend on the policy wording at each HEI. This may be negotiable with insurers once an assessment has been made of the risks that require cover. Each HEI's insurance officer should be involved when developing its insurance cover and preparing its guidance for placements.

Where students are providing their own cover, they should be advised to check the wording (particularly the exclusions) carefully to ensure that it meets their requirements.

You need to consider both the HEI's and the student's perspectives and whether the placement is in the UK or overseas.

8.2 Cover for Legal Liability to a Student

8.2.1 General

The HEI's own Public Liability Insurance should provide cover in respect of the HEI's own legal liability to its students (and to the Placement Provider). This insurance can normally be extended to provide an indemnity to students, but the scope of this extension can vary. HEIs should check with their insurance officer. This means that the student (and the Placement Provider) can be assured that the HEI will have the resources to meet a legal claim from anyone who suffers as a result of something that is the fault of the institution.

This insurance will not cover anything that is the legal liability or responsibility of someone else and, for placements in the UK, it would be normal to expect the Placement Provider to have equivalent cover in place.

For work placements, the Placement Provider may have Employers' Liability (EL) or Workers' Compensation Insurance that will provide cover for the Placement Provider's liabilities to the student.

An important feature of this type of liability insurance is that payment of compensation will depend on the student's establishing the legal liability of the HEI or Placement Provider. Although not a substitute for liability cover, personal accident insurance can provide 'no-fault' compensation in the event that the student suffers injury or death as the result of an accident, whether occurring as part of the placement or otherwise. This cover may be included with the travel insurance policy or may be provided by the Placement Provider. However, few students are likely to have this type of cover whilst at their home institution.

8.2.2 Injuries to a Student – UK Placement

Within the UK the Placement Provider employs the student and so is responsible for the health and safety of the student whilst on placement.¹

Most employers are required to hold EL Insurance,² and there is an agreement among the UK insurance industry that work experience persons will be regarded as employees by all UK insurers and covered by EL policies.

Placement Organisers should ask providers if they hold EL Insurance. ‘No’ answers will need to be referred to the HEI insurance officer with details of the placement.

Some employers are exempt from the compulsory insurance requirement. Notably, these include Government bodies and family operations. Government departments may seek to contract out of their legal responsibility for the health and safety risk to placement students and transfer the risk (and the need for EL Insurance) to the HEI. Insurers may be prepared to cover these placements on an individual basis, subject to prior notification.

8.2.3 Injuries to a Student – International Placement

When students are placed overseas the position becomes more complex. In France, for example, placement students are subject to a *Convention de Stage* agreement under which they are regarded as employees and the Placement Provider generally accepts *responsabilité civile* for them under French law. However, some non-French organisations providing placement opportunities in France may refuse to accept this responsibility and attempt to transfer the risk to the HEI. The HEI’s insurers may be able to cover these placements on an individual basis, subject to prior notification and depending on the contract terms.

Accordingly, Placement Organisers, when seeking information about a placement overseas, should ask the Placement Provider whether their insurance covers liability for injuries or sickness suffered by placement students and attributable to their duties with the organisation.

‘No’ answers will need to be referred to the HEI insurance officer with details of the placement. If there is no requirement in the country concerned for EL-type insurance, the student needs to be aware that they would have little or no legal protection and be advised accordingly by the Placement Organiser. In such circumstances the student may want to take out accident insurance, but the HEI cannot offer advice about this.³ Most HEIs have their own personal accident travel insurance, but this may be restricted to cover staff members only and not extend to students; the HEI insurance officer can advise on the extent of cover and exclusions.

A few countries may require EL-type insurance (also known as Workers’ Compensation Insurance) to be placed locally. A notable example is Australia. This is likely to be cost-prohibitive so, unless the Placement Provider can offer the necessary cover, or the Workers’ Compensation Insurance be bought or funded, the placement cannot go ahead.

¹ Health and Safety (Training for Employment) Regulations 1990.

² Employers’ Liability (Compulsory Insurance) Act 1969.

³ Most HEIs are not authorised to offer financial advice under the Financial Services Authority rules.

8.3 Cover for the Legal Liability of the Student

8.3.1 General

Students will not usually have Personal Liability Insurance except the very limited cover under a travel policy (which normally excludes liability arising from work) or if their parents have home contents insurance with a wide liability extension that includes family members normally resident at home. The best way of providing the cover is for the HEI to extend its own Public Liability policy to:

- i) Provide an indemnity to students;
- ii) Extend the personal liability overseas cover by indemnifying students whilst working.

Anyone driving a motor vehicle will normally require compulsory motor vehicle third party insurance, although this may be provided by the Placement Provider if the student is driving on the Placement Provider's business. A student driving their own or someone else's vehicle for work purposes needs to check that they have insurance that specifically covers them, whether or not they are the policyholder, for 'business purposes'.

8.3.2 Injuries/Property Damage that a Student May Cause - UK Placement

Within the UK, employers are vicariously responsible for the negligent acts of their employees, including students on placement, if such acts cause injury to others. This liability will be covered by the Placement Provider's EL policy (see above).

Vicarious liability does not apply if the student acts in a wholly unpredictable and irresponsible manner, in which case the individual student may be held personally liable.

In most circumstances, as the Placement Provider is responsible for supervising the placement student during their duties, there is no liability on the part of the student or the HEI in the event of damage to the provider's property, or that of any third party. The only exception is where the student acts with deliberate malicious intent or in a wholly irresponsible way.

The HEI holds Public Liability ('third party') Insurance to indemnify the HEI in the eventuality that it is held legally liable for a student's actions (for example, if an HEI tells a Placement Provider that a student has certain skills or training that they do not have) and such actions cause injury or property damage. This insurance may also indemnify the student in circumstances where the HEI would have been responsible had the case been brought against it, rather than the individual student.

Such insurance will not indemnify students for the consequences of any deliberate malicious or irresponsible acts on their part.

8.3.3 Injuries/Property Damage that a Student May Cause – International Placement

As the insurance situation is so variable overseas, the HEI insurance officer should advise on any Public Liability Insurance cover and exclusions for students during HEI-authorised overseas placements.

However, such insurance will not indemnify students for the consequences of any deliberate malicious or irresponsible acts on their part.

8.4 Personal Accident, Travel and Health Insurance

Prompt response to most contingencies can be covered by an appropriate travel insurance policy. This could provide:

- Free emergency assistance and advice, *and*
- Insurance cover for:
 - Emergency medical expenditure (note that an emergency means anything that is unexpected, as opposed to regular treatment for an existing condition; it does not have to be a serious or life-threatening event).
 - Emergency repatriation expenses.
 - Loss of personal belongings, baggage and money.
 - Cancellation and curtailment costs.
 - Personal liability.
 - Legal expenses.
 - Emergency evacuation expenses.
 - Recreational activities (although specific hazardous activities may be excluded).
 - Limited personal accident benefits.

The medical cover can be expected to exclude routine treatments and may limit cover for pre-existing conditions, pregnancy and childbirth. If this is a concern, the Placement Provider may have private health insurance that the student can buy locally.

Care must be taken when choosing an insurance policy to ensure that it provides adequate cover. Standard holiday travel cover is unlikely to be adequate. HEIs should consider whether to offer cover for their students under an appropriate commercial insurance policy. If so, it is vital for the HEI to comply with FSA regulations, particularly if the insurance premium is to be charged to students.

Students on overseas placements should be advised to take out appropriate and adequate insurance for personal activities (for example, extreme sports).

The extent of the travel insurance protection varies widely from one insurer to another and many policies contain small-print exclusions such as:

- Life-style exclusions (claims arising whilst under the influence of drugs/alcohol).
- Activity exclusions (claims arising from 'dangerous' activities – the definition of 'dangerous' varies but may include motorcycling as well as winter sports, i.e. exclusions are not limited to activities such as parachute or bungee-jumping).

Some HEIs and other organisations in the USA insist that the student takes out and pays for US medical healthcare insurance. Prices vary from institution to institution.

8.5 Professional Liability

8.5.1 General

Students training for a profession may be held legally liable for professional risks. Insurance for professional or business activities undertaken as part of the placement would normally be covered by Professional Indemnity (PI) insurance or, in appropriate cases, medical malpractice insurance. This can also be known as clinical negligence, or errors and omissions, insurance.

The HEI's insurance would not normally cover a student on placement and the expectation would be for this to be covered by the Placement Provider, not least because only the Placement Provider is in a position to manage the professional or business activities of the student.

8.5.2 Special Cases

8.5.2.1 Medical and Dental Students

Students working within NHS hospitals in the UK are covered for professional risks under the Clinical Negligence Scheme for Trusts. The practice's medical malpractice cover should cover those placed with a GP practice in the UK.

If the placement is in a private hospital, hospice or nursing home, the Placement Organiser needs to ask the Placement Provider whether their insurance covers the liability of the student for injuries to third parties (including clinical errors), or property damage, arising from their duties within the organisation. If the provider answers 'No' to this question, the placement should be referred to the HEI insurance officer for further advice.

The HEI should encourage medical and dental students to join a professional body (e.g. the MDU or MPS) that would, on request, provide discretionary medical malpractice benefits for their elective periods.

Placement Providers overseas should be asked if their insurance covers the student for damage caused if this arises from their duties within the organisation. 'No' answers should be referred to the HEI insurance officer with full details of the placement, as the HEI's insurers may be prepared to cover these placements on an individual basis, subject to prior notification.

Placement Organisers seeking to place students in Australia should ask the provider if their insurance covers the liability of the student for injuries to third parties (including clinical errors) or property damage, arising from their duties within the organisation. If the provider answers 'No' to this question, the placement cannot go ahead (see above).

8.5.2.2 Veterinary Students

The BVA does not provide any veterinary malpractice cover for its members.

For placements with UK vets, it is probable that a student will be automatically included under the Placement Provider's Veterinary (Mal)Practice Insurance.

Placement Organisers should therefore ask the Placement Provider whether they hold Public Liability and Veterinary Practice Insurance and whether the definition of employee in the policy includes work experience trainees. 'No' answers should be referred to the insurance officer for advice.

Placement Providers overseas should be asked if their insurance will cover liability incurred by the student for damage, including injury to any animal, arising from their duties within their organisation.

Due to insurance requirements in Australia it is not possible for students to be placed there unless the provider answers 'Yes'.

Veterinary students placed in the USA may be able to purchase economical Veterinary Practice Insurance by joining SAVMA (www.avma.org/savma/about.asp).

Other 'No' answers should be referred to the insurance officer, with full details of the placement, as the HEI's insurers may be prepared to cover these placements on an individual basis, subject to prior notification.