

NurseryCare

Insurance for Day Nurseries
Summary and Guide



Schemes
Intermediary
of the Year 2006

MM
MortonMichel

NurseryCare

NurseryCare has been designed especially to meet the needs of private day nurseries. It is the most comprehensive childcare insurance policy to be created by Morton Michel and Sterling Insurance Company who, together, have been insuring playgroups and nurseries since 1964.

The policy offers value for money, which can be further enhanced by a no claims discount of up to 15%. Its flexibility allows it to be adapted according to your needs. The standard cover can be extended to incorporate insurance for your nursery buildings as well as holiday and out of school activities for older children. Insurance for your minibus can also be arranged.



Policy Summary

The NurseryCare policy is underwritten by Sterling Insurance Company Limited (except where otherwise stated).

This document summarises the cover provided by the NurseryCare policy and should be read carefully before you complete the proposal form. The Policy Summary does not contain the full terms and conditions, which can be found in the policy document. A full policy document is available free of charge from Morton Michel.

Public and Products Liability

Legal liability for accidental bodily injury to the children or public or damage to their property caused by

- negligence by you or your employees
- defects in the premises, equipment or any goods sold or supplied.

Limit of Indemnity

£3,000,000 any one cause (higher limits available on request).

Automatically Included

- legal costs incurred in the defence of criminal proceedings in respect of a breach of the Consumer Protection Act, 1987, the Food Safety Act 1990 or the Health and Safety at Work etc Act, 1974 – limit £10,000 in any one period of insurance
- compensation for attending court at the request of Sterling – £250 per day for any director or partner and £100 per day for any employee
- legal defence costs and expenses incurred with the written consent of Sterling – in addition to the limit of indemnity
- accidental damage to leased, hired or rented premises for which you are legally liable
- organised and supervised nursery outings and trips away for a maximum of 3 days (extensions can be arranged)
- fund raising events of a non-sporting nature involving nursery officials, child members and their families. Other events and circumstances should be advised to Morton Michel for consideration
- food poisoning
- incorrectly administered first aid treatment
- administration of drugs and medicines in accordance with policy conditions
- administration/provision of oxygen, gastro feeding, naso-gastric tube feeding, cleaning and changing of feeding and tracheostomy/tracheotomy tubes and emptying/changing stoma bags in accordance with policy conditions

- vicarious liability (as decided in a Court of Law)
- children with special needs
- bouncy castles used by the group for the children attending the group (or other children in their family) in accordance with policy conditions
- use of trampolines in accordance with policy conditions
- contingent motor liability – provides cover for the nursery if a motor accident occurs in connection with nursery business, for which the nursery is legally responsible and the car owner does not have the necessary cover in place. This does not replace or include ordinary motor insurance and it does not cover the motor vehicle or its contents. The nursery must take all reasonable precautions to ensure that any vehicle used has the appropriate motor insurance. *(Morton Michel offers motor insurance schemes designed specifically to support childcare activities. To find out more details about this specialist cover for private cars, people carriers and mini buses, call 0800 975 4898.)*

Territorial Limits

- anywhere in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

Main Exclusions

- provision of advice or breach of professional duty
- sale or supply of medicines, drugs, syringes, dressings or medical supplies or equipment of any kind whatsoever
- property belonging to the nursery, or in its care, custody or control (*but see Nursery Contents section*)
- personal property of staff and children attending the nursery (*but see Nursery Officials' Personal Effects and Nursery Children's Personal Effects sections*)
- use of aerial runways, scrambling nets, tree walks and other structures which have been constructed or partially constructed from materials not originally intended for play or recreational use, eg: telegraph poles, tyres and drainage pipes (please refer to Morton Michel if in any doubt)
- fines, penalties or liquidated, punitive or exemplary damages
- liability arising out of asbestos or its derivatives
- terrorism, war and kindred risks

- treatment (other than first aid treatment, the administration of drugs/medicines in accordance with policy conditions and the administration/provision of oxygen, gastro feeding, naso-gastric tube feeding, cleaning and changing of feeding and tracheostomy/tracheotomy tubes and emptying/changing stoma bags in accordance with policy conditions)
- inflatable play equipment other than bouncy castles used by the nursery for the children attending the nursery (or other children in their family)
- activities not advised to and agreed in writing by Morton Michel.

Optional Extension – Professional Indemnity

Covers your legal liability if you, or an employee, unintentionally

- make a mistake
- fail to do something that should have been done
- commit slander or libel

Limits of indemnity of £250,000 and £500,000 are available.

Employers' Liability

Complies with current United Kingdom legislation relating to compulsory insurance for legal liability for damages arising from injury to employees in connection with their employment.

Limit of Indemnity

£10,000,000 any one cause. (£5,000,000 if arising out of terrorism.)

Automatically Included

- legal costs incurred in the defence of criminal proceedings in respect of a breach of the Health and Safety at Work etc Act 1974 – limit £10,000 in any one period of insurance
- compensation for attending court at the request of Sterling – £250 per day for any director or partner and £100 per day for any employee
- legal defence costs and expenses incurred with the written consent of Sterling Insurance Company.

Territorial Limits

- anywhere in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

Nursery Contents

Contents belonging to you or for which you are responsible are covered against fire, lightning, explosion, aircraft, theft involving forcible and violent entry or exit, robbery, riot or civil commotion, malicious damage, earthquake, impact by vehicles, storm, flood, sudden escape of water or oil, falling trees or branches and any accidental damage.

Automatically Included

(subject to adequacy of sum insured)

- computer system records up to 5% of the sum insured
- consulting engineers' and legal fees
- debris removal
- reinstatement of landscaped gardens and grounds following damage by the fire brigade up to £1,000
- groundsmen's machines in the gardens up to £1,000
- damage to the premises caused by theft involving forcible and violent entry
- public authorities costs
- capital additions up to 10%
- accidental damage to sanitary ware, underground pipes or cables up to £1,000
- signs (other than glass) up to £1,000
- cost of refilling fire extinguishers if discharged because of a fire
- loss of metered water up to £5,000
- external fixed CCTV equipment and security lighting up to £1,000
- other fixed property in the open, including fixed play equipment, (other than for storm or flood) up to £5,000
- replacement of locks and keys following theft of keys up to £2,500
- the structure of any timber or metal sheds at the premises that are used for storage up to
 - £1,500 in total for timber sheds
 - £2,500 in total for metal sheds
 - maximum £2,500 in total overall
- the contents of any timber or metal sheds at the premises up to
 - £1,500 in total in timber sheds
 - £2,500 in total in metal sheds
 - maximum £2,500 in total overall.

Main Exclusions

- the first £100 of each claim other than as stated below
- the first £250 of each claim in respect of accidental damage to sanitary ware, underground pipes or cables
- damage caused by other authorised users of the premises
- property not locked in a room, hall, cupboard or shed at the end of every group session
- terrorism, war and kindred risks.

Nursery Money

Covers crossed cheques, crossed postal or money orders, bankers' drafts, VAT purchase invoices, credit card, cheque card and debit card sales vouchers, up to £100,000.

Also covers loss of money, other than as described above, whilst:

- in transit or in bank night safe – up to £2,000
- on the premises during business hours – up to £2,000
- on the premises outside business hours in an approved locked safe – up to £1,000
- on the premises outside business hours, not in locked safe – up to £250
- in the home of any authorised nursery official – up to £500.

Main Exclusions

- loss from any unattended vehicle
- fraud or dishonesty of any nursery official unless discovered within seven working days
- shortages due to error or omission
- dishonoured cheques or use of counterfeit money.

Personal Assault Extension

Nursery officials aged between 16 and 70 years are automatically provided with the following compensation if they sustain bodily injury or death following an assault whilst handling money in connection with your business.

- death, loss of limbs or eyes, permanent total disablement £20,000
- temporary total disablement (up to 104 weeks) £100 per week

Main Exclusions

- the influence of drugs or liquor
- pregnancy, childbirth or any communicable disease.

Nursery Officials' Personal Money

Covers loss of nursery officials' personal money occurring at the premises during business hours.

Limit £100 any one nursery official.

Main Exclusions

- fraud or dishonesty of any nursery official
- dishonoured cheques or use of counterfeit money
- any amount recoverable under any other policy of insurance.

Nursery Officials' Personal Effects

Covers the personal clothing and effects of any nursery official against loss or damage occurring on the premises during any nursery session.

Limit £500 any one nursery official.

Main Exclusions

- the first £30 of each claim
- property more specifically insured
- wear, tear or depreciation or diminution in value
- any process involving cleaning, repairing, altering or maintenance of property.

Nursery Children's Personal Effects

Covers the personal clothing and effects of any child attending the nursery against loss or damage occurring on the premises during any nursery session.

Limit £100 any one child.

Main Exclusions

- the first £15 of each claim
- property more specifically insured
- wear, tear or depreciation or diminution in value
- any process involving cleaning, repairing, altering or maintenance of property.

Personal Accident for Children at the Nursery

Compensation payable for accidental bodily injury suffered by any child whilst engaged in organised and supervised nursery activities.

Amounts

Death	£5,000
Loss of limbs, sight or permanent total disablement	£20,000

Main Exclusions

Any injury or death caused by

- the influence of drugs or liquor
- pregnancy, childbirth or any communicable disease
- hazardous sports and pastimes
- terrorism, war and kindred risks.

Personal Accident for Nursery Officials

Compensation payable for accidental bodily injury suffered by any nursery official whilst engaged in organised and supervised nursery activities.

Amounts

Death, loss of limbs or sight or permanent total disablement	£20,000
Temporary total disablement (up to 104 weeks)	£100 per week
Medical expenses	£250

Main Exclusions

Any injury or death caused by

- the influence of drugs or liquor
- pregnancy, childbirth or any communicable disease
- hazardous sports and pastimes
- terrorism, war and kindred risks.

Loss of Revenue

Provides protection against financial loss during the period taken for the business to return to normal following loss or damage by any of the events covered under the Nursery Contents section. Reasonable costs incurred to maintain the business following loss or damage are included.

The sum to be insured should be based on your estimate of the gross revenue to be earned in the next twelve months (or any longer period that you choose) with allowances for anticipated growth and inflationary factors.

Automatically Included

- unrecoverable outstanding debit balances
- prevention of access due to damage to nearby premises
- loss caused by damage at land based premises of public utilities or telecommunications undertakings
- accidental failure of electricity, gas or water supplies at the terminal ends of the public supply undertaking's feed to the premises (unless such failure is for a period of less than sixty minutes)
- the occurrence at the premises of poisoning, murder or suicide
- closure due to defective sanitation, vermin or pests
- outbreak of human infectious or contagious disease at the premises
- outbreak of notifiable human infectious or contagious disease within 25 miles of the premises
- wages for replacement staff following suspension by OFSTED, or other registering authority, of employees accused of child abuse, up to £2,500.

Main Exclusion

- terrorism, war and kindred risks.

Contents in Transit

Covers nursery property in transit in any vehicle that you own or operate.

Limit £1,000 (more if required) any one vehicle.

Main Exclusions

- the first £50 of each claim
- theft from any unattended vehicle
- breakage of brittle articles unless caused by fire, theft or collision
- livestock, jewellery, works of art, watches and similar high-value items, tobacco, cigarettes and audio/visual equipment.

Deterioration of Refrigerated/Frozen Food

Loss by deterioration of stock in any freezer or refrigerated cabinet following breakdown or accidental damage, or failure of public electricity supply.

Sum Insured £2,500 (more if required).

Main Exclusions

- the first £25 of each claim
- equipment more than ten years old.

Loss of Registration Certificate

Protects you against depreciation in value of your interest in the premises or buildings following forfeiture or refusal to renew your registration certificate.

Limit £100,000 (more if required).

Main Exclusions

- refusal to renew due to town and country planning requirements, or alteration in the law
- failure to comply with directions or requirements of the registering authority
- bankruptcy, insolvency, misconduct, neglect or omission.

Glass

Covers breakage of plain plate, sheet, wired, laminated or toughened glass and fixed mirrors or fixed glass in showcases, counters and display cabinets.

Automatically Included

- costs of temporary boarding up and necessary repair of frames
- replacement of alarm foil following glass breakage – up to £500
- neon and illuminated signs.

Main Exclusions

- the first £50 of each claim
- glass which was broken or cracked before the insurance commenced
- breakage during installation or removal or during alteration or repairs to the premises
- armoured, bent or other special glass or lettering or designs on glass.

Legal Expenses – Limit £100,000 any one event

Cover, which is provided by DAS Legal Expenses Insurance Company Limited (DAS), will pay your legal costs including solicitors' and barristers' fees, court costs, expenses for expert witnesses, attendance expenses and accountants' fees.

Automatically Included

- employment disputes and compensation awards that might arise with your nursery employees (such as unfair dismissal)
- legal defence in the event of a criminal prosecution arising from your business activity (such as alleged child abuse of the children attending your nursery)

- a legal representative to support you if you are asked to go to the police station for a matter relating to your business
- taxation disputes with HM Revenue and Customs
- contract disputes of over £250, if a parent breaks with your contract terms
- recovery of a debt of over £250, if a parent fails to pay for your services
- legal action to obtain compensation or an injunction following damage to, or trespass on, your property
- legal action to obtain compensation for death or bodily injury
- loss of registration.

Main Exclusions

- costs and expenses incurred before the written acceptance of a claim by DAS
- any civil claim which does not offer a reasonable prospect of success.

Helplines

Professional and practical advice, provided by DAS, is available 24 hours a day, 365 days a year for issues relating to tax, legal matters, health/medical information and domestic emergencies as well as a counselling service.

Advice is given on:

Tax: including VAT, self-assessment income tax and Inland Revenue audits.

Legal matters: including employment and contract disputes.

Health and medical information: including food allergies, medication, childhood illnesses, vaccinations, nutrition and exercise.

Help is provided through:

Emergency repair support: giving access to approved contractors for plumbing, electrical, gas and roofing repairs (you will be responsible for the cost of the repair).

Confidential counselling: a valuable support service to help you through those difficult times, whether because of stress, anxiety, depression, relationships, bereavement or health related; it includes onwards referral to relevant voluntary and/or professional services, where appropriate.

Yellowtag KeyGuard

You will automatically receive a Yellowtag pack with your policy. This is a unique and confidential tagging system that will identify your nursery keys if they are lost and found. Yellowtag will immediately notify you via mobile phone, SMS text and e-mail.

Buildings (Optional)

Buildings, outbuildings and associated structures can be covered against fire, lightning, explosion, aircraft, theft involving forcible and violent entry or exit, riot or civil commotion, malicious damage, earthquake, impact by vehicle, storm, flood, sudden escape of water or oil, falling trees or branches and any accidental damage.

Automatically Included

(subject to adequacy of sum insured)

- architects' and surveyors' fees
- debris removal
- public authorities costs
- accidental damage to sanitary ware, underground pipes or cables
- capital additions up to 10%.

Main Exclusions

- the first £100 of each claim other than as stated below
- the first £250 of each claim for sanitary ware, underground pipes or cables
- breakage of glass
- subsidence, ground heave or landslip
- terrorism, war and kindred risks.

All Risks (Optional)

The Nursery Contents section provides cover at your premises. You may prefer to have certain items of equipment covered for accidental loss or damage occurring anywhere in the UK.

Sum Insured

- Full replacement cost of the property.

Main Exclusions

- the first £100 of each claim
- wear and tear
- theft from unattended vehicles
- storm or flood unless the property is contained in an enclosed vehicle or in a building
- electrical or mechanical breakdown
- breakage of brittle articles (unless part of photographic equipment)
- terrorism, war and kindred risks.

Terrorism (optional separate policy)

If you require cover against acts of terrorism, we are able to offer a separate policy that will

- cover most causes of terrorism damage including biological, chemical or radioactive contamination
- apply to all property insured under your NurseryCare policy, up to the full value of the sums insured that you have selected
- include cover against loss of revenue and book debts, if required, up to the sum insured under your NurseryCare policy.

If you would like a quotation for this extra cover, please contact Morton Michel.

Morton Michel – The Childcare Insurance Specialist

Founded in 1964, Morton Michel is a recognised leader in childcare insurance. It has unrivalled expertise in this field, which it applies to the development of its insurance products. Morton Michel arranges cover for around 10,000 nurseries and pre-schools, 20,000 childminders and nannies, 6,000 out of school clubs and numerous other social and voluntary groups connected with childcare.

Morton Michel is dedicated to providing top quality service to all its clients. The company will discuss any aspect of the NurseryCare policy and provide prompt settlement of smaller claims on a direct basis.

Sterling Insurance Company

Sterling Insurance Company offers an extensive range of commercial and personal insurances. Established over fifty years ago, Sterling is particularly renowned for its specialist policies, such as NurseryCare, which meet the needs of specific businesses or services.

The company has worked closely with Morton Michel for over forty years and continues to do so today. Together, their extensive experience of the childcare industry enables them to develop policies that match the specific risks involved. This results in comprehensive cover at competitive premiums.

Sterling prides itself on its efficient use of the latest technology in the administration of its policies and in the swift settlement of claims.

Important

To obtain the full benefit from your insurance it is important that the sums insured are adequate at all times. If they are inadequate then in the event of a claim the amount payable will be reduced in proportion to the degree of underinsurance.

It makes sense to review the sums insured regularly, particularly if you have refurbished your premises or purchased new equipment. Seek professional advice to ensure that the sums insured are correct.

More Information

If you have any queries regarding insurance for your nursery, please contact Tracy Bedwell or Genevieve Lowings on 0845 2570119 or email nurserycare@mortonmichel.com



1. Sterling Insurance Company Limited

Sterling Insurance Company Limited is a private company limited by shares, registered in England and Wales number 498605. It underwrites general insurance business. It is authorised and regulated by the Financial Services Authority (FSA). The FSA is the independent watchdog that regulates financial services.

Our FSA Register number is 202012. You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

Sterling Insurance Company Limited is a member of Sterling Insurance Group Limited.

Registered Office:
Ambassador House
Paradise Road
Richmond upon Thames
Surrey TW9 1SQ

Branch Office:
50 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JX

2. Disability Discrimination Act 1995

In accordance with the Disability Discrimination Act 1995 we are able to provide upon request a textphone facility, audio tapes, large print documentation and Braille documentation. Please advise us if you require any of these services to be provided so that we can communicate in an appropriate manner.

3. Law applicable to the contract

We propose to choose English law as the law applicable to the contract unless we agree another choice of law with you prior to the start date.

4. Premiums

Premiums are payable annually to Morton Michel. Insurance premium tax, as imposed by current legislation, is incorporated into all premiums.

5. Promise of satisfaction and service

We are confident that your NurseryCare policy will bring you complete satisfaction. We undertake to refund the premium in full if you are not satisfied with the cover provided by your policy if it is returned within 14 days of issue, but if there has been an incident which has resulted or could result in a claim you must reimburse the Company for any amounts we have paid or may be required to pay, in respect of that incident.

6. Duration of contract

The first period of insurance under your NurseryCare policy will be 12 months unless otherwise requested by you and agreed by the Company.

7. Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS.

8. Notification of a claim

If you have a claim, or are aware of an incident that could result in a claim, please contact Morton Michel on 0845 2570900 or Sterling Insurance Company Limited on 0845 271 1300.

9. Enquiries or complaints

If you have an **enquiry** or **complaint** regarding:

- the suitability of this policy for your needs; or
- the information and advice you received whilst it was originally being discussed; or
- the operation or administration of the policy

or an **enquiry** concerning a claim that you may have made; you should contact Morton Michel at Alhambra House, 9 St Michaels Road, Croydon CR9 3DD; telephone number 0845 2570900.

If you have a **complaint** concerning a claim you have made you should contact Sterling Insurance Company Limited, 50 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JX; telephone number 0845 271 1300.

(A copy of Sterling's complaints handling procedure is available on request by writing to the Customer Services Manager, Sterling Insurance Company Limited, 50 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JX or by telephoning 0845 271 1300.)

If your complaint relates to the Legal Expenses cover, please write to The Claims Services Manager, DAS Legal Expenses Insurance Company Limited, DAS House, Quay Side, Temple Back, Bristol BS1 6NH or telephone 0800 015 1407.

Please be ready to provide all relevant details of your policy and in particular your policy number (if allocated) to help your enquiry or complaint to be dealt with speedily.

If you are not satisfied with the way in which your complaint has been handled, you may have the right to refer it to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR; telephone number 0845 080 1800.

Please note that the Financial Ombudsman Service will normally only consider a complaint once we have issued a final decision letter.

Following this procedure will not affect your legal rights.

10. Information about DAS Legal Expenses Insurance Company Limited

DAS Legal Expenses Insurance Company Limited is a private company limited by shares incorporated in England and Wales under registered number 103274. It underwrites legal expenses business. Its head and registered office is DAS House, Quay Side, Temple Back, Bristol, BS1 6NH. It is authorised and regulated by the Financial Services Authority and appears on the Financial Services Authority's register under number 202106.

11. Morton Michel

Morton Michel is authorised and regulated by the Financial Services Authority (FSA). Our FSA Register number is 308590.