



The  
**Federation**  
of Irish Sports

**Risk  
Management  
*and*  
Insurance  
in Sport**





Risk is everywhere  
 and sporting organisations  
 must consider the risk  
 to **volunteers, staff,  
 members**  
 and **the organisation,**  
 associated with their  
**policies, practices  
 and activities.**



There is a difference between a **hazard** and a **risk**.

A hazard is **something which could happen and may cause loss or injury (physical or mental)**, whereas a risk is **the probability that the event could happen and the severity of the injury which could occur**.

Organisations should undertake a risk assessment of their activities and put in place procedures and practices to manage identified risks, as appropriate. Good risk management will go a long way to preventing accident, injury and claims. It can also be a means of obtaining insurance where it might not have otherwise have been available or a means of reducing premiums. Finally, it is a way to protect the volunteers who are involved in managing the sport.

For sporting organisations the risks may fall into the following categories:

- **Governance and Management Risks**
- **Compliance with Law and Regulation Risks**
- **Financial and Operational Risks**
- **Environmental and External Risks**
- **Risks involved with the sporting activity**





A simple way to assess risk is outlined below using the following tables:

**Using Table 1 :**

- (a) identify each activity
- (b) identify the hazards associated with each activity
- (c) identify who could be harmed by the hazard;

**Using Table 2:**

- (d) quantify the risk by multiplying the likelihood of the hazard occurring by the potential effect, given the existing circumstances.

**Using Table 3**

- (e) work out the score ;

**Using Table 1**

- (f) record the score;
- (g) put in place controls to lessen the risk and quantify the new risk level.
- (h) identify who has responsibility for managing this particular risk and also ensure a review date is set.

RISK ASSESSMENT FORM							
Activity	Hazard	Who May Be affected	Risk (Probability x Severity)	Controls	Revised Risk	Responsibility	Review

TABLE 1

POSSIBLE OPTIONS	
LIKELIHOOD	SCORE
• Very unlikely	1
• Unlikely	2
• Possible	3
• Probable	4
• Very probable	5
SEVERITY	SCORE
• Minimal injuries	1
• Minor injuries	2
• Injuries	3
• Serious injuries	4
• Very serious injuries	5

TABLE 2

RISK MATRIX						
		LIKELIHOOD				
		1	2	3	4	5
SEVERITY	1	1	2	3	4	5
	2	2	4	6	8	10
	3	3	6	9	12	15
	4	4	8	12	16	20
	5	5	10	15	20	25
Score 1 - 2		Do Nothing				
Score 3 - 8		Adopt Control Measures				
Score 9 - 14		Take Specialist Advice				
Score 15 - 25		Do not Do!				

TABLE 3



Depending on the outcomes of the risk assessment process, sporting organisations may decide to manage risk in a number of ways:

- a) Transferring the impact of the risk – by purchasing insurance cover;
- b) Tolerating the risk – if either the likelihood of the hazard occurring is extremely small or the impact would be minimal. Organisations should consider this approach very carefully before deciding to tolerate a risk;
- c) Treating the Risk – by putting in measures to reduce the likelihood of a hazard occurring and / or the impact of the hazard. Such measures may include the introduction of policies and procedures for officials to follow, codes of conduct, rules of the activity, training and assessing coaches and officials, introducing safety gear and / or crowd control measures etc.

Organisations will often treat risks and transfer them. The measures which organisations put in place to reduce risk will often influence their likelihood of obtaining insurance cover and the cost of insurance premiums.

- d) Terminating the Risk – by not progressing with the activity.

Sports, through their Governing Bodies and clubs, should aim for good practice and effective risk management. A further useful guide is:

**THE 3 Rs**  
 Always **RECORD** your findings  
**REVIEW** your assessment  
**REVISE** where necessary

## TYPES OF INSURANCE

The following is a list of the main types of insurance, though there may be certain “one off situations” which can be insured and appropriate advice should be sought in all the circumstances. The detail of a particular policy will determine what risks are covered and for how much.

### a) **Employers’ Liability**

This covers employees. The policy covers legal liability to employees for injury or disease sustained during the course of their employment with their employer.

The premium is usually calculated at a rate percent of the overall salary paid to employees and on a notional wage for volunteers, if treated as employees.

### b) **Public Liability or Third Party**

This protects against claims by members of the public for injury or damage to property. For example, in respect of legal liability arising from an accident on property owned by Organisations and its members away from the premises and extend to provide for claims arising in connection with the sale or supply of products. Member to member indemnity is also a potential extension.

Not all public / third liability insurance policies cover issues relating to child / vulnerable adult protection. Clubs and Governing Bodies may wish to explore this with their insurance broker.

### c) **Personal Accident**

This provides cover for accidental injury to specified persons. The policies are often very specific, such as payment for hospital expenses and weekly payments over the period of disablement or injury. They often put a particular figure for instance on death or a specific injury, for example, loss of an eye or limb. A claim is initiated following an injury or loss, rather than through any legal liability to a third party.



Some Governing Bodies and clubs may offer such insurance cover to their individual members, but others may provide advice to members on how to obtain personal accident insurance.

There are other areas of insurance which may be included in an overall comprehensive policy (Insurance Portfolio) providing compensation to the policy-holder. They could include:

- 1) **Building and Contents or Property and Assets Insurance**  
Usually providing “fire and perils” and theft cover to particular premises and the contents therein e.g. trophies, bar stock etc.);
- 2) **Legal Expenses Insurance;**
- 3) **Travel insurance** e.g. teams travelling abroad;
- 4) **Professional Indemnity Insurance** e.g. for a coach, physio, nutritionist;
- 5) **Insurance to cover the activities of Officers of the Organisations** eg if selectors are challenged on their decisions;
- 6) **Money insurance** - to protect against the loss of money due to theft;
- 7) **Business Interruption Insurance** - to cover loss of income e.g. fees or bar takings in the event of insured damage to the clubhouse;
- 8) **Fidelity Guarantee** – covering loss following fraud or dishonesty of employees.

## APPLYING FOR INSURANCE

Insurance is a contract between the insurer and the insured. In completing application forms, Organisations or individuals seeking insurance must fully disclose all relevant information. It is also crucial to update information as circumstances change or when renewing the insurance policy. Insurance companies will abide by the detailed terms of the policies and they are under no obligation whatsoever to pay out if all the basic requirements are not met.

Where sporting organisations are offering group schemes for their members they must make sure that those members are aware of the terms and conditions of the insurance, as well as the benefits.

Taking appropriate professional advice on insurance is absolutely essential. It is crucial to ensure that all of the main potential liabilities are covered. There are a number of specialist brokers in Ireland and the UK who have the experience in the provision of insurance services to sport, though where a sport has been well served in the area of advice and hopefully cost, it is advisable to stay with their broker.

At each renewal date, the broker should make every effort to check the market for the best deal and reveal the results of the checks carried out.





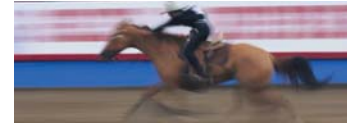
## SUGGESTIONS ON STEPS TO TAKE DURING THE INSURANCE RENEWAL PROCESS

- Request a detailed claims history from your broker/insurer. It is mandatory that they give you this.
- Analyse the excess on each claim and determine if they are reasonable, settled or withdrawn
- Contact a number of brokers, particularly those not in close local proximity to one another
- Conduct a competitive tender for your Organisation. If you are a large Organisation, and in the position to do so, you should try to 'interview' brokers to see who will work hardest on your behalf, and the incumbent must not assume that he has the business because he had it before. In this way you immediately command value and good service. To prevent further blocking, instruct each competing broker to research different markets eg: Irish insurers versus Lloyds insurers.
- Request a breakdown of fees and charges including a declaration of any bonuses and soft commissions from insurance companies
- Request a copy of the brokers' submission on your behalf to the insurance company to ensure that they have accurately presented your business, its operation and implemented safety measures
- Make sure your Broker shops around and provides you with copies of all quotations they receive and the identify of the insurers.
- Commence the process in order to get quotations at least two months in advance. When told this is too early, keep pushing and offer to advise of any changes between quotation and year-end. It may also be preferable to approach your existing broker last so new

brokers are not prevented from getting competitive quotes by an existing relationship.

- Upon return of quotes, analyse the best risk cover at best value.
- Ensure you see the insurance company's reply in each instance to your broker.





## KEY POINTS

- Plan frequent reviews of the terms and extent of insurance cover;
- Put in place support and training for those in key positions in Governing Bodies and clubs, whether they are a coach, manager, selector, child protection officer, anti-doping officer etc;
- Think to whom is a duty of care owed and where are the main areas of vulnerability;
- Ensure that proper records are kept when an incident occurs and statements are taken at the time. (There is little use in relying on vague memory particularly as cases often take years to come to court);
- Governing Bodies should ensure that they and their affiliated clubs comply with the law of the land e.g. fair employment legislation, equality legislation, child protection legislation etc;
- Where possible, governing bodies and clubs should have arbitration / mediation clauses in their constitutions (see appendix 1) to ensure that disputes with potential major legal costs are kept out of the courts and use should be made of bodies such as Just Sport Ireland (JSI);
- Give consideration to bulk purchase schemes that may become available through umbrella bodies;



- Never condone bad working practice;
- Employment Related Practices - Sometimes the company shall not be liable to indemnify the insured for any bodily injury that results directly or indirectly from:
  - Any refusal to employ any person
  - Any termination of any person's contract
  - Bullying, defamation, demotion, discipline, discrimination or harassment;
- One of the biggest risks to voluntary groups in the exposure for child protection issues, sexual abuse, bullying etc. It is very important that the insured clearly understand what is covered under professional indemnity and their Director's and Officer's policies.



## INSURANCE CHECKLIST!

### Liability

- Employers
- Public/Third Party
- Libel and Slander
- Professional Indemnity
- Directors' and Officers' / Trustees including Pension Trustee Liability

### Others (including)

- Personal Accident
- Property and Assets
- Travel Insurance
- Legal Expenses
- Money Insurance
- Business Interruption Insurance
- Fidelity Guarantee

## WHERE TO GO FOR GUIDANCE ON RISK ASSESSMENT AND INSURANCE?

*Further help may be available from the following:*

- **The Irish Financial Services Regulatory Authority**

PO Box 9138, College Green, Dublin 2

T: +353 1 4104000

W: <http://www.ifsra.ie>

- **Irish Insurance Federation**

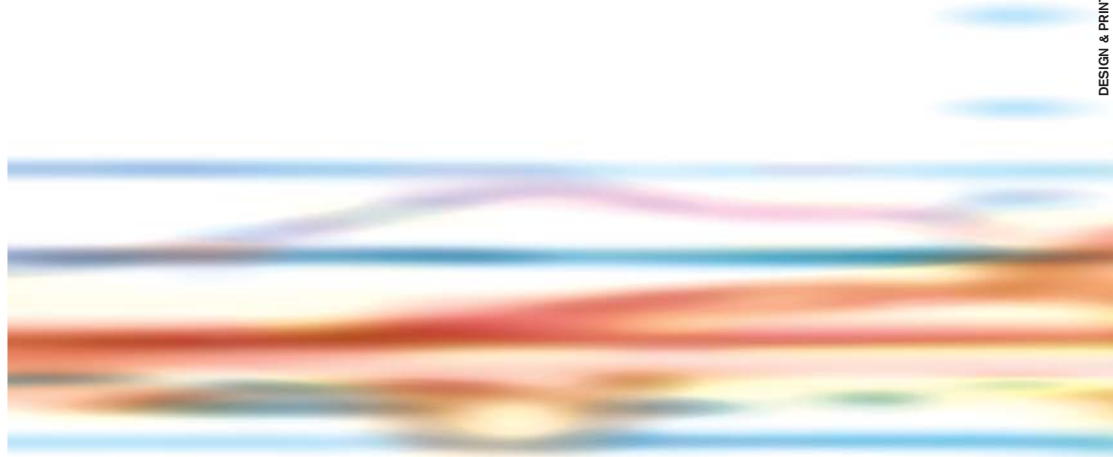
Insurance House, 39 Molesworth Street, Dublin 2

T: 00 353 (1) 676 1820

E: [fed@iif.ie](mailto:fed@iif.ie)

W: [www.iif.ie](http://www.iif.ie)





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**Federation of Irish Sports**  
**sportHQ**  
**13 Joyce Way**  
**Park West**  
**Dublin 12**

*Contact Lyne at*  
**T: +353 1 625 1155**  
**E: [lynegreenwood@nisf.net](mailto:lynegreenwood@nisf.net)**  
**W: [www.irishsports.ie](http://www.irishsports.ie)**



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