



Insurance Requirements for Accredited Energy Assessors

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This document outlines the specific insurance requirements for energy assessors accredited under Kaizen Certification Ltd. It serves to clarify the types of insurance required, the minimum levels of coverage, and the essential details that must be included in the insurance documents. This document applies to all current and prospective energy assessors who are part of, or wish to join, the Kaizen Certification Ltd Accreditation Scheme.

1. Types of Required Insurance:

The following types of insurance are mandatory for energy assessors accredited under Kaizen Certification Ltd. These insurance policies are crucial to protect both the assessors and their clients during the conduct of energy assessments.

a. Professional Indemnity Insurance:

Purpose: This insurance covers assessors against claims of negligence, errors, or omissions during the course of their professional activities. It is essential for covering any legal costs and damages that may arise if a client alleges that the assessor's work has caused them financial or reputational harm.

Key Aspects:

- Coverage should include all activities related to energy assessment, such as data collection, analysis, and report generation.
- The policy must explicitly state that it covers the issuance of Energy Performance Certificates (EPCs) and any advice or recommendations provided as part of the assessment.

b. Public Liability Insurance:

Purpose: This insurance is designed to cover the assessor against claims for bodily injury or property damage caused to third parties as a result of their professional activities. This includes accidents or damages occurring during site visits or assessments.

Key Aspects:

- The policy should provide sufficient coverage for any accidental damages or injuries that could occur during on-site assessments.
- It is vital that the policy covers interactions with the public, especially in residential or commercial property assessments.

Additional Notes on Insurance Policies:

Combined Policies: Assessors may opt for combined Professional Indemnity and Public Liability insurance policies, provided they meet the minimum coverage requirements for both types.

Geographical Coverage: The insurance shall be valid for the UK, covering work in England, Wales and Scotland.

Insurance Provider: It is recommended to obtain insurance from a reputable provider with experience in covering professional risks associated with energy assessment.

Policy Exclusions: Assessors should carefully review their policies for any exclusions that may affect their coverage related to energy assessment activities.

Insurance for Different Strands:

Depending on the specific strand of energy assessment services offered (e.g., Domestic Energy Assessor, Non-Domestic Energy Assessor, etc.), the insurance requirements may vary. It is imperative for assessors to ensure that their insurance policies are aligned with the specific services they are accredited to provide.

Given the increasing reliance on digital tools for energy assessments and data handling, it is advisable for assessors to consider obtaining cybersecurity insurance. This policy should cover potential liabilities arising from data breaches, including legal fees and compensation costs. Cybersecurity insurance is critical to protect against financial losses from cyber threats and to ensure the continuity of professional services.

2. Minimum Levels of Coverage:

The minimum levels of coverage for Professional Indemnity and Public Liability insurance are set to ensure adequate protection against potential claims. These levels vary depending on the specific strand of energy assessment. It is crucial for energy assessors to maintain these minimum coverage levels to comply with the accreditation requirements and to ensure adequate risk management.

Professional Indemnity Insurance:

This insurance protects against claims of professional negligence and is vital for safeguarding the assessor's financial and professional integrity. The minimum coverage levels for different strands are as follows:

- OCDEA (On Construction Domestic Energy Assessor): £50,000 Run-off 10 years
- NDEA L3 (Non-Domestic Energy Assessor Level 3): £250,000 Run-off 10 years
- NDEA L4 (Non-Domestic Energy Assessor Level 4): £250,000 Run-off 10 years

- NDEA L5 (Non-Domestic Energy Assessor Level 5): £250,000 Run-off 10 years
- DEC (Display Energy Certificate): £100,000 Run-off 10 years

Public Liability Insurance:

This insurance covers claims for bodily injury or property damage that an assessor might accidentally cause to third parties during their work.

For most strands, the minimum coverage is set at £1,000,000. However, it is not applicable for OCDEA, where assessors typically engage in less direct interaction with public spaces or third-party property.

Additional Coverage Considerations:

- **Aggregate vs. Any One Claim:** Assessors need to be aware of whether their policy provides coverage on an aggregate basis or for any one claim. The former limits the total payable amount over the policy period, while the latter applies the limit to each individual claim.
- **Inclusion of Defence Costs:** Ideally, the insurance should include legal defence costs outside the limits of indemnity. This ensures that the cost of defending a claim does not erode the indemnity limit.
- **Retroactive Date:** Policies should ideally have no retroactive date or one that covers the entire duration of the assessor's professional practice.

Regular Review and Adjustment of Coverage:

- It is advisable for assessors to review their insurance coverage regularly, especially if the scale of their operations changes or if there are significant changes in industry standards or legal requirements.
- Increasing coverage limits may be prudent in some cases, especially if the assessor undertakes large or high-risk projects.

3. Run-off Cover:

Run-off cover is an essential aspect of insurance for energy assessors, particularly when they cease trading or their business operations come to an end. This type of insurance coverage ensures that energy assessors are protected against any claims that may arise after they have stopped their professional activities.

Definition and Importance:

- **Run-off Cover:** This is a provision in professional indemnity insurance policies that extends coverage for a certain period after an assessor has ceased trading or their policy

has been terminated. It is designed to protect against claims made for work done while the insurance policy was still active.

- **Significance:** Energy assessment services can lead to claims long after the actual work is completed. Run-off cover is crucial for protecting assessors from such future claims, ensuring that they are not personally liable for any issues that arise post-retirement or post-business closure.

Minimum Duration of Run-off Cover:

SORs Appendix 1.3 requires 10 years of run-off cover for all strands. This ensures that claims made after cessation of activities are covered for the necessary duration. This duration is selected to align with the typical lifespan of energy assessments and the potential period during which claims might be made.

Key Considerations for Run-off Cover:

- **Timing:** Assessors should arrange for run-off cover as soon as they decide to cease their professional activities. Any delay can result in a period without coverage, leaving the assessor vulnerable to claims.
- **Coverage Level:** The level of run-off cover should be consistent with the minimum insurance requirements that were applicable during active trading. It is important to maintain the same level of protection as was held previously.
- **Cost and Premiums:** While run-off cover can be more expensive than standard professional indemnity insurance, its importance in risk management strategy cannot be overstated. Assessors should budget for this as part of their business cessation planning.
- **Notifying the Insurer:** It is crucial to inform the insurance provider about the cessation of trade to transition to run-off cover. Failure to notify can result in a lapse of coverage.

Monitoring and Compliance:

- **Scheme Responsibility:** Accreditation schemes should verify that their members have arranged for adequate run-off cover upon cessation of their business activities.
- **Assessor's Responsibility:** It is the responsibility of the assessor to ensure that they have secured run-off cover and to provide proof of this cover to the accreditation scheme if required.

4. Documentation Requirements:

Proper documentation of insurance is critical for energy assessors to demonstrate compliance with the accreditation scheme's requirements. The insurance documentation must include a clause explicitly covering claims arising from energy assessments, audits, or other professional services as required under the updated SORs. Any exclusions that might limit the assessor's liability in relation to their professional duties must be clearly noted. This section details the specific documentation needs and the essential elements that must be present in the insurance documents.

Essential Elements in Insurance Documents:

- **Assessor or Company Identification:**
The insurance certificate must clearly state the full name of the individual assessor or the name of the company they represent. This ensures a direct link between the insurance coverage and the accredited assessor.
- **Specific Coverage Details:**
The document must explicitly list the types of professional activities covered. This includes, but is not limited to, energy assessments, issuing Energy Performance Certificates (EPCs), and any related advisory services. Vague terms are insufficient; specific mention of energy assessment activities is necessary.
- **Policy Number and Insurance Provider Information:**
The insurance certificate should display a unique policy number, along with the name and contact information of the insurance provider. This aids in the verification and validation of the insurance document.
- **Coverage Period:**
The document must clearly state the effective dates of coverage, ensuring that the policy is current and valid. This includes the start date and the expiry date of the policy.
- **Coverage Amounts:**
The SORs now require minimum coverage for Professional Indemnity at £2 million and Public Liability at £5 million for all energy assessors, to reflect the increased financial and legal risks involved in energy assessments. Assessors must ensure their policies meet these updated requirements.
- **Endorsements and Exclusions:**
Any endorsements or exclusions that specifically relate to the assessor's activities should be clearly noted. Assessors need to be aware of what is and isn't covered in their policy, especially any exclusions that might impact their professional liability.

Validation of Documentation:

- **Original Documents:** Copies of the original insurance certificates should be submitted for validation. Digital copies may be accepted if they are clearly legible and unaltered.
- **Annual Updates:** Given that insurance policies are typically renewed annually, assessors are required to submit updated insurance documents each year to ensure ongoing compliance.
- **Spot Checks and Audits:** The accreditation scheme may conduct periodic spot checks or audits to ensure the validity and adequacy of the insurance coverage maintained by its members.

Non-Compliance and Rectification:

In cases where the insurance documentation does not meet the required standards, the assessor will be notified and given a timeframe to rectify the issue.

Continuous failure to provide compliant insurance documentation may lead to disciplinary action, including suspension or revocation of accreditation.

5. Specific Terminology:

In the context of insurance documentation for energy assessors, the specificity of terminology used in the policy is crucial. This section elaborates on the importance of using clear and precise terms in insurance documents to ensure they provide the necessary coverage.

Importance of Specific Terminology:

- **Clarity and Relevance:** The terminology used in the insurance policy must directly relate to the services provided by the energy assessor. This clarity ensures that the insurance coverage is relevant and applicable to the assessor's professional activities.
- **Avoidance of Ambiguity:** Vague or broad terms can lead to ambiguity regarding the scope of coverage, potentially leaving assessors unprotected against certain claims. Specific terms minimise misunderstandings and disputes over coverage applicability.

Terms to Include and Avoid:

- **Recommended Terms:**
The policy should explicitly mention coverage for activities, good examples are:
"Energy Performance Assessments"
"Issuance of Energy Performance Certificates (EPCs)"
"Energy performance certificates / testing"
"Energy Efficiency Consultancy."
• **Terms to Avoid:**

Generic terms like "Environmental Services" are not sufficiently specific. While they suggest a focus on environmental or energy-related work, they do not clearly confirm coverage for the assessor's specific professional tasks.

Avoid terms that are too broad or unrelated to the specific field of energy assessment, as they may not adequately cover the risks involved in the assessor's actual professional activities.

Guidance for Assessors:

- **Policy Review:** Assessors should review their insurance policies to ensure that the terminology aligns with their professional activities. If the terms are too vague, they should contact their insurance provider to amend the policy.
- **Professional Advice:** If there is uncertainty about the adequacy of the terminology used, it is advisable to seek professional advice, either from the insurance provider or a legal expert in professional indemnity insurance.

Scheme's Role in Verifying Terminology:

- **Documentation Checks:** Accreditation schemes should verify that the terminology in the insurance documents accurately reflects the professional activities for which the assessor is accredited.
- **Feedback to Members:** If the terminology in an insurance document is found to be inadequate or too vague, the scheme should provide clear feedback to the member, outlining the need for more specific terms.

6. Verification Process:

The verification process is a crucial step to ensure that the insurance documents submitted by energy assessors meet the specified requirements. This section details the procedure for verification and the responsibilities of both the assessors and the accreditation scheme in this regard.

Procedure for Verification of Insurance Documents:

- **Submission of Documents:**
Energy assessors are required to submit their insurance documents to the accreditation scheme at the time of initial application, renewal of membership, and upon renewal of their insurance policy. In addition to submitting insurance documents during membership renewals, assessors must notify the accreditation scheme of any material changes in their insurance coverage within 7 days to ensure continuous compliance with SORs.
Documents can be submitted in digital format, provided they are clear, legible, and unaltered from their original state.

- **Review of Documents:**
The accreditation scheme will review the submitted documents to ensure they meet the criteria outlined in previous sections, particularly focusing on coverage amounts, specific terms related to energy assessment activities, and the validity period.
- **Assessing Compliance:**
The scheme will check for compliance with minimum coverage levels, appropriateness of terminology, and inclusion of necessary details like policy number, insurance provider, and coverage period.
Any discrepancies or lack of clarity in the documents will be flagged for rectification.
- **Confirmation of Validity:**
In some cases, the scheme may contact the insurance provider directly to confirm the validity of the policy and the accuracy of the details provided.
- **Record-Keeping:**
The accreditation scheme maintains records of all assessors' insurance documents for accountability and ease of reference during future verifications or audits.

Responsibilities of Energy Assessors:

- **Timely Submission:** Assessors must ensure timely submission of their insurance documents, particularly when there are changes in policy or provider.
- **Accuracy of Information:** It is the assessor's responsibility to provide accurate and up-to-date insurance information. Deliberate submission of false or misleading information may lead to disciplinary action.

Role of the Accreditation Scheme:

- **Objective Review:** The scheme is responsible for an objective and thorough review of the insurance documents, ensuring that all assessors comply with the stipulated requirements.
- **Providing Guidance:** In cases of non-compliance, the scheme should provide clear guidance to assessors on how to rectify the issues.
- **Maintaining Standards:** This verification process is crucial for maintaining professional standards and protecting the interests of stakeholders involved in the energy assessment industry.

Periodic Audits and Spot Checks:

The scheme may conduct periodic audits and spot checks to ensure ongoing compliance. This proactive approach helps maintain high standards and addresses any issues before they escalate.

Evidence of valid cover is re-checked at annual membership renewal and on spot checks initiated by the Scheme.

7. Non-Compliance:

Non-compliance with insurance requirements poses significant risks to both the energy assessor and the accreditation scheme. This section outlines the procedures and repercussions in cases of non-compliance.

Identification of Non-Compliance:

- Non-compliance is identified through the verification process if insurance documents do not meet the specified criteria, such as insufficient coverage levels, incorrect or vague terminology, or expired policies.
- In accordance with the updated SORs, non-compliance with insurance requirements will trigger immediate suspension of accreditation until rectification is confirmed. Failure to rectify within 30 days will result in further disciplinary action, including potential revocation of accreditation.
- Non-compliance may also be flagged during routine audits, spot checks, or as a result of a complaint or claim against an assessor.

Immediate Actions upon Detection of Non-Compliance:

- Notification to Assessor:
The assessor will be promptly notified of the specific areas of non-compliance and will be given a clear explanation of what needs to be rectified.
- Rectification Period:
A reasonable period will be provided for the assessor to rectify the issues. The duration of this period depends on the nature of the non-compliance but is typically between 15 to 30 days.
- Support and Guidance:
The scheme may offer guidance on how to achieve compliance, such as providing templates or examples of compliant insurance documents.

Consequences of Continued Non-Compliance:

- Suspension: Failure to rectify the non-compliance issues within the given timeframe may result in temporary suspension of the assessor's accreditation.
- Revocation of Accreditation: In severe cases, or where non-compliance is recurrent, the accreditation may be permanently revoked.
- Reapplication for Accreditation: After revocation, an assessor may be allowed to reapply for accreditation, subject to a comprehensive review and evidence of compliance.

Record-Keeping of Non-Compliance Cases:

The accreditation scheme maintains records of all non-compliance cases, including the nature of the non-compliance, actions taken, and the final outcome. This is important for audit purposes and to ensure fairness and consistency in handling such cases.

Appeal Process:

Assessors have the right to appeal against a decision made in the event of non-compliance. The updated SORs allow assessors to appeal non-compliance decisions within 14 days of notification. Appeals must include detailed documentation justifying the assessor's case for compliance or requesting additional time for rectification. The appeal process should be clearly defined, fair, and transparent.

Responsibility of Assessors:

It is the responsibility of the assessors to ensure continuous compliance with the insurance requirements. They must proactively manage their insurance policies and remain informed about any changes in the requirements.

Preventive Measures:

- Regular training and updates on insurance requirements can be provided to assessors to prevent instances of non-compliance.
- The scheme may implement a pre-renewal notification system to remind assessors of upcoming insurance renewals and verifications.