



**INSURANCE CLAIMS PROCESS**

**REPORT OF INTERIM HEAD OF FINANCE (DEPUTYS151 OFFICER)**

**WARDS AFFECTED: ALL WARDS**

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1. PURPOSE OF REPORT

- 1.1 To brief members on the insurance claims handling process and claims history

2. RECOMMENDATION

- 2.1 The report is endorsed.

3. BACKGROUND TO THE REPORT

- 3.1 The Council uses Zurich Municipal (ZM) for insuring the following:-

- |                      |                                      |
|----------------------|--------------------------------------|
| • Property           | • Public Liability                   |
| • Official Indemnity | • Employers' Liability               |
| • Libel & Slander    | • Crime Insurance                    |
| • Motor Vehicles     | • Personal Accident                  |
| • Business Travel    | • Engineering Equipment & Inspection |

- 3.2 ZM is the largest local government insurance provider in the UK. They are currently the only company that can be used without a broker service (i.e. the Council contacts the ZM directly to deal with claims) as this speeds up the insurance process.

3.3 Claims Process

Claims for compensation are decided on legal liability. This means that the claimants have to prove that "on the balance of probability" the council has been negligent or failed in its statutory duty. It should be noted that there is no automatic right to compensation.

A claim is either submitted to the council or directly to our Insurers through a claims portal.

3.4 Claims submitted through the Council.

These claims can be made by the Council or be an external claimant (e.g. resident) Where a claim is to be made by the Council, the finance team will ensure all the paperwork is in place and a claim is submitted to ZM.

Where a claim has been submitted to the Council by a claimant this will be forwarded to ZM with any relevant paperwork. Where the Council does not hold liability e.g. a trip on County Council land the finance section will contact the claimant stating the potential liability does NOT rest with the Council.

In order that a claim is processed, the claimant must provide:

- Name and address
- The date of the incident/accident
- The exact location of the incident/accident

- The reason why claimant thinks that Hinckley & Bosworth Borough Council is responsible for the accident.
- Details of any witnesses

In case of injury claimant must also provide:

- Date of birth
- National Insurance number

### 3.5 Claim Portal (Personal Injury Claims)

For personal injury claims, the claims have to be logged into a claims portal. This is typically done through a solicitor. Once the claim handlers have acknowledged the claim, they have 40 working days (from the date of the letter of acknowledgement is sent) to investigate the claim and either admit or deny liability. These time scales adhere to the current Ministry of Justice: Pre-action Protocols. If liability is admitted additional information will be sought before ZM decide on the final pay-out sum. Depending on the complexity of the case this process may take months or even years. Once the liability is admitted it will take further time to investigate the injury claims. In cases where liability is denied the claim comes off the portal and then dealt with in the normal way. The claimant still has the right to retake the claim up with the insurers.

### 3.6 Claims handling

Each claim is forwarded to the respective claims handler at Zurich municipal. The claims handler will carry out an investigation in order to decide whether any legal liability attaches to the council. If the decision of the claims handler is that the council is not legally liable, they will write to the claimant explaining the reason. If the claimant disagrees with the decision and wish to take this further they are advised to take independent advice.

Where there is a potential liability the handler will investigate the claim and request further information from the claimant or the Council. Once the investigation is complete, ZM will write to the claimant and make a settlement offer. The claimant then has the opportunity to accept or to refuse the offer.

The time it takes to deal with claim depends on many issues. If the claim does not involve an injury and the issue of legal liability is straightforward the claim should be settled quickly.

However, if the claim involves an injury the claims handler may have to request medical information etc. to verify the extent of claimant's injuries. For technical issues, the claims handler may feel the need to involve experts in certain fields to give advice; again this may add time to reaching a final decision.

### 3.7 Claims History

A summary of the claims history is given in the table below.

<b>Policy Year</b>	<b>Total Number</b>	<b>Outstanding*</b>	<b>Paid</b>	<b>Total Cost</b>
<b><u>MOTOR CLAIMS</u></b>				
2011/2012	21	£1,001	£27,672	£28,673
2012/2013	21	£0	£20,762	£20,762
2013/2014	31	£10,840	£26,446	£37,286
2014/2015	17	£1,792	£21,640	£23,432
2015/2016	26	£23,900	£15,270	£39,170

<b><u>PUBLIC LIABILITY</u></b> <b><u>Where Council is liable due to carrying on with its normal course of business</u></b>				
2011/2012	15	£4,459	£48,053	£52,512
2012/2013	8	£0	£15,395	£15,395
2013/2014	16	£16,997	£17,034	£34,031
2014/2015	10	£46,427	£17,314	£63,741
2015/2016	7	£62,604	£0	£62,604
<b><u>EMPLOYERS LIABILITY – Where a Council is liable for a claim made by its employee (e.g. injuries sustained by using equipment)</u></b>				
2011/2012	3	£7,000	£0	£7,000
2012/2013	2	£0	£0	£0
2013/2014	1	£333	£0	£333
<b><u>PROPERTY</u></b>				
2011/2012	1	£0	£841	£841
2012/2013	3	£0	£33,668	£33,668
2013/2014	5	£0	£53,910	£53,910
2014/2015	2	£0	£27,014	£27,014
2015/2016	2	£0	£1,851	£1,851
<b><u>MISCELLANEOUS</u></b> <b><u>All risks e.g. theft, materials cover</u></b>				
2013/2014	2	0	£70	£70
2015/2016	2	£5,614	0	£5,614

\* Liability has been accepted but still awaiting information before final payments are released.

4. FINANCIAL IMPLICATIONS [IB]

4.1 The estimated insurance premium for 2016 is £434,000.

5. LEGAL IMPLICATIONS [MR]

5.1 None

6. CORPORATE PLAN IMPLICATIONS

6.1 None

7. CONSULTATION

7.1 None

8. RISK IMPLICATIONS

8.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

8.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

9.1 Insurances cover services and assets in all areas of the Borough including rural areas.

10. CORPORATE IMPLICATIONS

10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

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Background papers: Policy Documents and Claims History Report.

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