



Risk Management and Insurance

**Annual Insurance Report  
2008/2009**



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## 1.0 Executive Summary

When analysing the insurance claims history there are three areas to be considered. One is the number of claims received, the second is the number of claims repudiated and the third is the amount paid on a settled claim.

Over the policy year 2008/2009 we saw an increase in the number of claims received overall. However, whilst the number of Public Liability and Motor Own Damage claims increased, the number of Employers Liability claims and Property Damage claims reduced.

More important than the number of claims received, is the manner in which these claims are concluded. The policy year 2008/2009 saw an increase in the number of liability claims that were repudiated ie where the claim was closed with no payment being made as the Council was legally not liable for the damage/injury which was the subject of the claim. The repudiation of claims continues to improve.

### Percentage of claims repudiated (by Policy Year)

Type of Claim	2006/2007	2007/2008	2008/2009	Trend	Best Outcome
Public Liability	83%	79%	89%	↑	↑
Employer's Liability	67%	80%	No closed claims	↑	
Motor (Third Party)	26%	34%	45%	↑	

**Percentage of Claims Repudiated by Policy Year**

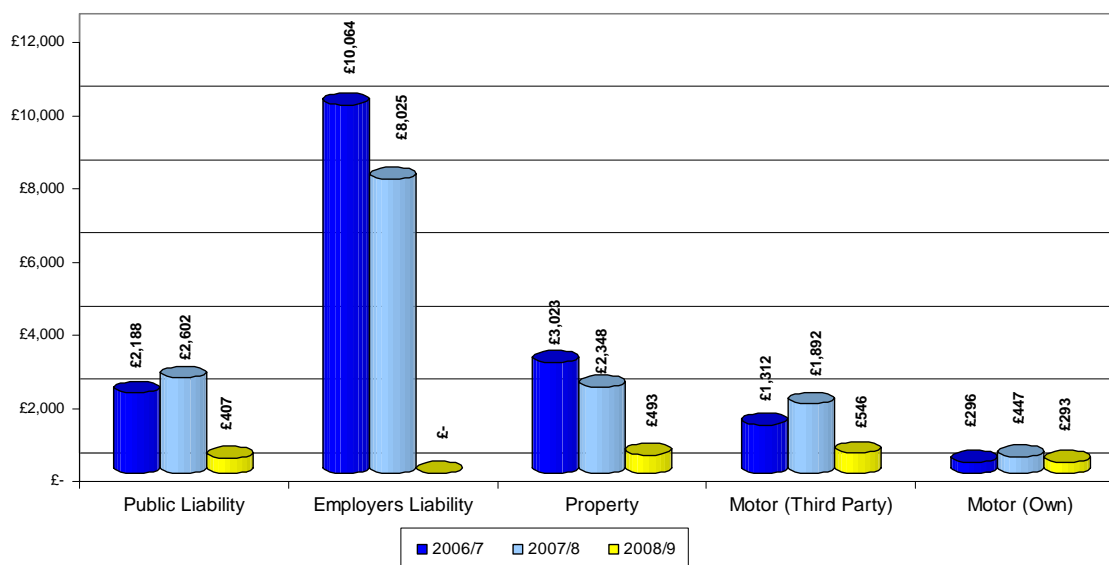


The report also demonstrates that the average amounts paid out on the settled claims has reduced during the policy year 2008/2009. Whilst there are more claims still open in this policy year which may alter the eventual figure, overall we have seen a reduction in the amounts paid.

#### Average net payment made (by Policy Year)

Type of Claim	2006/2007	2007/2008	2008/2009	Trend	Best Outcome
Public Liability	£2,188	£2,602	£407	↓	↓
Employer's Liability	£10,064	£8,025	No closed claims	↓	
Property	£3,023	£2,348	£493	↓	
Motor (Third Party)	£1,312	£1,892	£546	↓	
Motor Own	£296	£447	£293	↓	

Average Net Payment on closed claims by Policy Year



During 2008/2009 we changed our liability insurers and subsequently the claims handlers. So far we have been extremely pleased with the service we have received and consider this is reflected in the increase in the % of claims repudiated and also the reduction in the amounts paid.

Had the Council made a payment on all the public liability claims it received, regardless of liability, there would have been an additional cost to the authority of £1,306,000. As the authority has a large policy excess, all of this cost would have had to have been funded from the Council's own internal liability fund and not paid by Insurers. It is therefore important that all claims are repudiated where the Council is not legally liable.

Shropshire Council has an excellent reputation within the insurance industry as a Council who has good policies and procedures in place, receives relatively few claims and has a good repudiation rate. This reputation certainly helped in achieving savings on the insurance premium for Shropshire Council together with improved levels of cover and reduced excess levels. The Council should therefore be congratulated on its excellent achievement, although there are always grounds for improvement.

## 2.0 Introduction

2.1 This report is based on the claims experience for the policy years listed below and as such incorporates the insurance history for Shropshire County Council only. The claims data is extracted from QLAS, the Zurich Municipal database used by Risk Management and Insurance. The data used relates to claims received (and not necessarily occurring) in the following policy years:

- 1 April 2005 to 31 March 2006
- 1 April 2006 to 31 March 2007
- 1 April 2007 to 31 March 2008
- 1 April 2008 to 31 March 2009

2.2 The data was collated on 4 June 2009 and provides a snapshot of the claims position as at that date. This report is an analysis of the data to identify trends occurring and highlight key areas of risk.

### 2.3 Insurance Fund

The insurance policies for Shropshire County Council had the following excesses applicable to each individual claim made against the authority:

Public Liability	£250,000	
Employers Liability	£250,000	
Motor	£0	Third Party Cover only
Property	£250,000	
Officials Indemnity	£0	
Land Charges	£0	
Foster Carers Policy	£100	
Schools Travel Scheme	£15	

2.4 Following the recent tender exercise to obtain insurance for Shropshire Council, the policy excesses have been reduced on key policies as follows

Public Liability	£100,000
Employers Liability	£100,000
Property	£100,000

2.5 When internal recharges are made to Council departments for the Insurance Premiums these include two elements.

1. Payment of the insurance premium to Insurers.
2. Contribution towards the internal insurance fund.

It is the internal insurance fund that pays for claims that fall below the excesses listed above.

### 3.0 Contact Details

For more information about this report, or any other risk management or insurance query, please contact the team via the following methods:

**Postal Address** Risk Management & Insurance  
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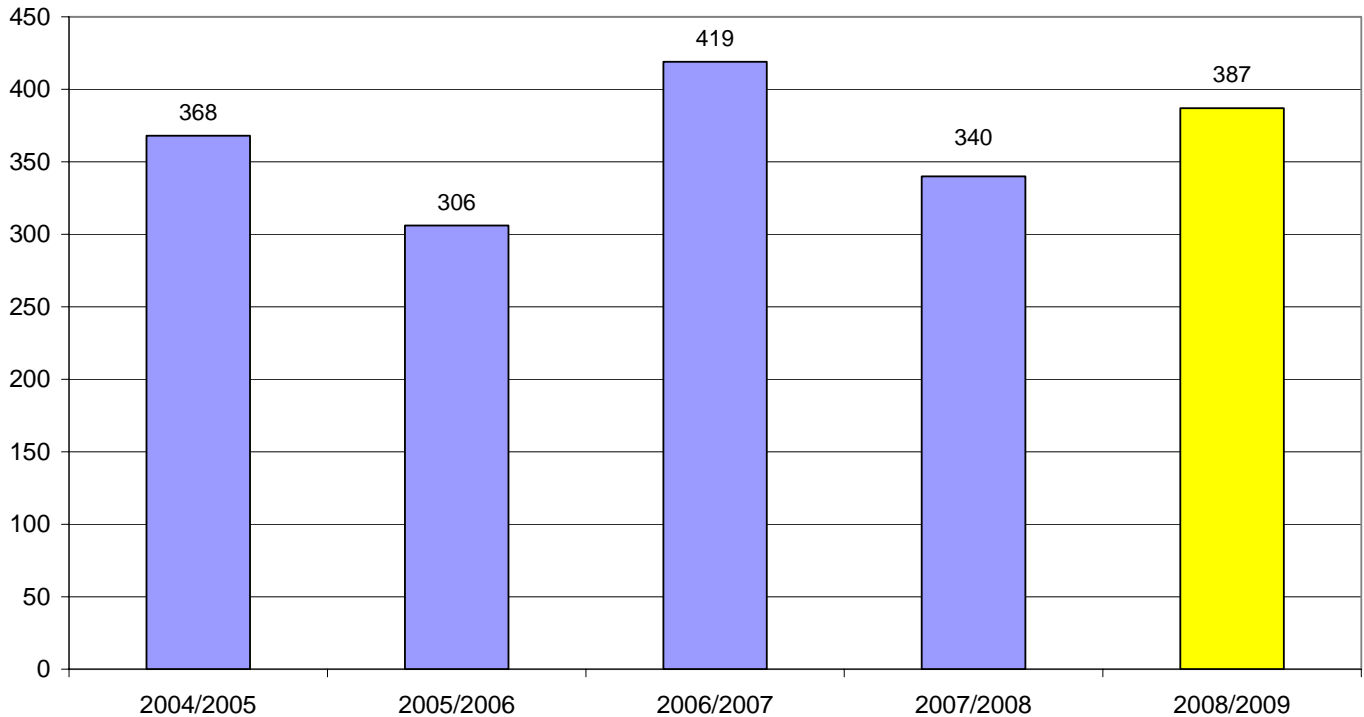
**Website Address** <http://notes2/intranet/insurance.nsf>



## 4.0 Overview

### Claims Received by Policy Year

(Chart 1)



4.1 Chart 1 shows a comparison of the number of claims received in total for the past five policy years. There has been an increase in the total number of claims received in the 2008/2009 policy year and this report will consider the reasons for this increase.

(Table 1: Open Claims with reserve)

Policy Year	Claims Open	Reserve	Average Reserve
2005/2006	3	£106,644	£35,548
2006/2007	9	£110,412	£12,268
2007/2008	36	£592,715	£16,464
2008/2009	190	£819,352	£4,312

4.2 Table 1 shows the number of claims open as at 4 June 2009 and the total of their reserves. Although 306 claims were received in 2005/2006, only three are still open. Claims that are open for a long length of time are normally involved and complicated claims and will, by their very nature, have larger reserves.

4.3 Reserves on claims are allocated by our Insurers and they take into consideration the worst case scenario including any possible legal fees that may be incurred, both by us and also the third party.

4.4 To consider the remaining reserves within each policy year it must also be accepted that a minority of claims can have significantly higher reserves allocated, see Table 2.

(Table 2: **Open claims with three largest reserves**)

<b>Policy Year</b>	<b>Type of Claim</b>	<b>Reserve</b>	<b>Details</b>
2005/2006	Public Liability	£50,197	Fall from motorcycle
	Public Liability	£36,447	Pupil's eye damaged by pencil
	Public Liability	£20,000	Fall from motorcycle
2006/2007	Public Liability	£27,220	Trip on pavement
	Public Liability	£14,500	Drove through pothole
	Public Liability	£14,250	Trip on pavement
2007/2008	Public Liability	£92,024	Right of Way not indicated in search
	Employer's Liability	£55,000	Asbestos - school
	Public Liability	£50,000	Flooding caused prize fish to escape
2008/2009	Motor	£37,000	Third Party drove into our vehicle (passengers on board)
	Property	£29,725	Flood damage at school
	Public Liability	£25,000	Service User cut foot while on organised trip
	Public Liability	£25,000	Slip on outdoor games court

4.5 Table 3 shows the total number of claims closed and the number of those that were closed with a payment having been made. It also shows the total of the net paid and the average net paid per claim.

(Table 3: **Closed claims with net paid**)

<b>Policy Year</b>	<b>Total Claims Closed</b>	<b>Claims Closed with no Payment</b>	<b>Claims Closed with Payment</b>	<b>Net Paid (closed claims)</b>	<b>Average Net Paid (closed claims)</b>
2005/2006	303	176	127	£365,872	£2,881
2006/2007	410	217	193	£268,053	£1,389
2007/2008	304	157	147	£223,014	£1,517
2008/2009	197	85	112	£37,113	£331

4.6 As can be seen from the above table, there are a substantial number of claims which are repudiated and no payment is made.

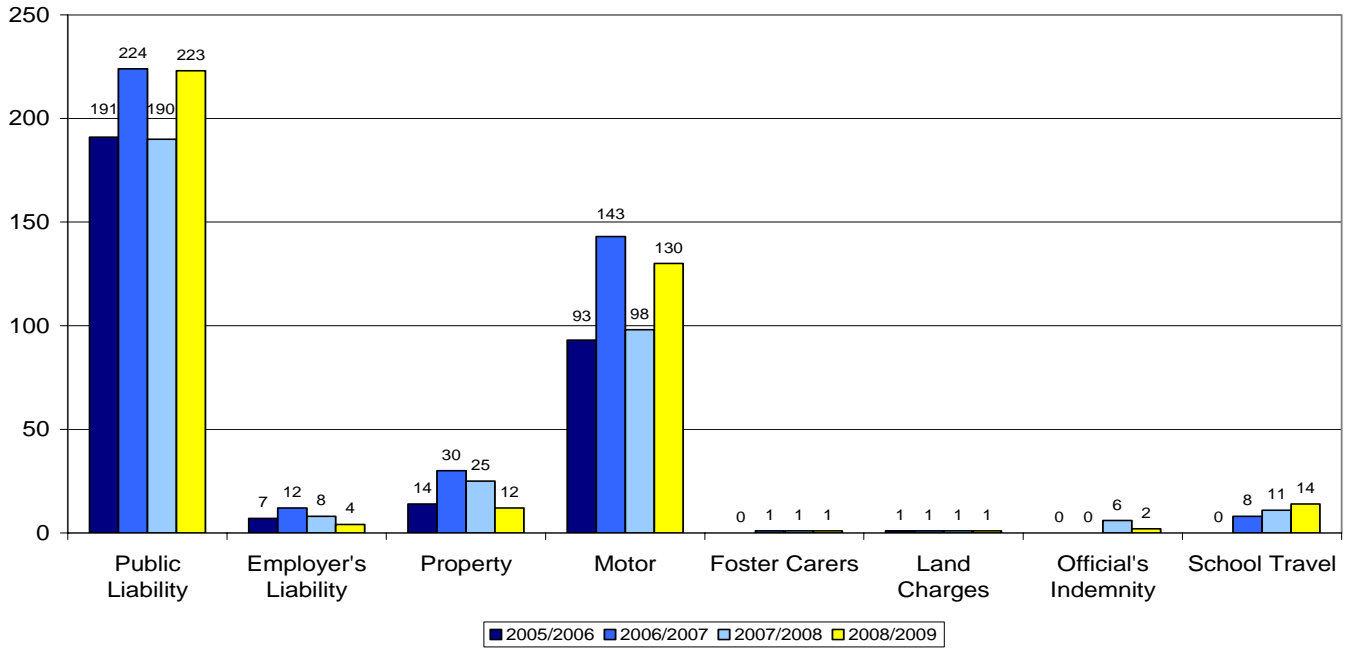
4.7 To consider the net paid totals fully, it must be appreciated that a minority of claims can have a significantly higher net paid, see Table 4.

(Table 4: **Closed claims with large net payments**)

<b>Policy Year</b>	<b>Type of Claim</b>	<b>Net Paid</b>	<b>Details</b>
2005/2006	Property	£97,298	Major fire in Lacon Childe secondary school
	Public Liability	£42,946	Retaining wall collapsed, damaged four properties, Bernard's Hill, Bridgnorth
2006/2007	Property	£27,795	Water damage to Albrighton Junior school following storm
	Employer's Liability	£17,375	Claimant tripped over loose wiring near desk, St Michael's House
2007/2008	Property	£19,127	Escape of water from pipe, Sunflower House
	Public Liability	£18,000	Claimant tripped on pavement, Delph Side, Broseley
2008/2009	Uninsured Motor	£2,879	Damaged side of our vehicle on railings, Lorne Street, Oswestry
	Property	£1,732	Escape of water from pipe, Meole Brace School

4.8 Chart 2 shows that the claims received in the 2008/2009 policy year are comparable to the 2006/2007 policy year.

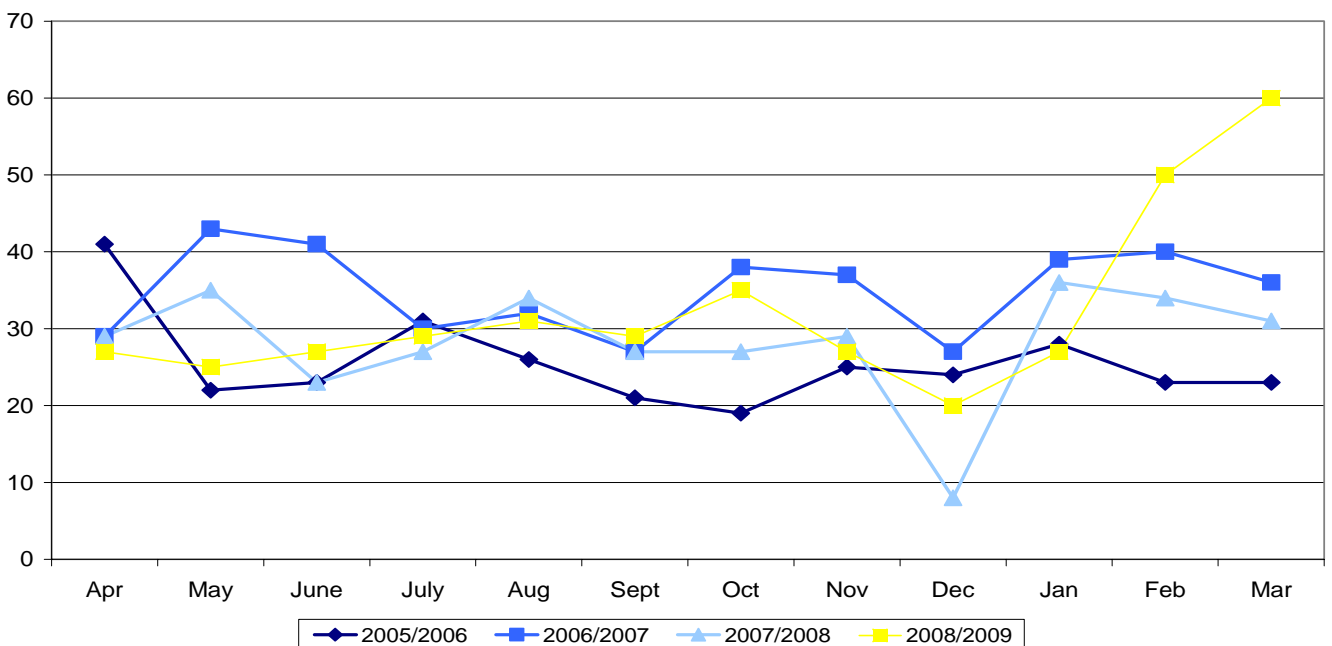
**Claims Received by Class of Business**  
(Chart 2)



4.9 Chart 3 below shows the number of claims received on a monthly basis in each policy year. There is a steep rise in the claims received in February 2009 and March 2009. Comparing this information with Chart 2 it is clear to see that the biggest increase is in the Public Liability and Motor claims received. When the Transport Operations Group and Highways annual insurance reports are completed, it is possible that it will show that the increase in claims received was a result of the severe cold weather in February.

It is pleasing to note that the number of Employer Liability claims and Property claims are lower than in previous years.

**Claims by Month Received**  
(Chart 3)



## 5.0 Public Liability

5.1 Public Liability claims are received from any third party who have suffered an injury or property damage as a result of the Authority's negligence. The increase in claims received in 2008/2009 compared with the previous policy year can be mainly attributed to an increase in both Public Liability and motor claims. Overall, the Authority has received an increase of 47 claims from the previous policy year - 33 of these claims relate to Public Liability claims. Table 5 clearly shows the increase in the number of Public Liability claims received in 2008/2009.

(Table 5: **Public Liability claims open with reserves**)

<b>Policy Year</b>	<b>Claims Received</b>	<b>Claims Open</b>	<b>Total Reserves on Open Claims</b>	<b>Average Reserve</b>
2005/2006	191	3	£106,644	£35,548
2006/2007	223	9	£110,412	£12,268
2007/2008	190	29	£386,223	£13,318
2008/2009	223	144	£617,524	£4,288

5.2 The introduction of the Highways Claim Form in March 2007 by Risk Management and Insurance means the Claimant must provide detailed information about their incident. This allows us to ensure the claims should be registered against us before we forward them to our insurers, and should not be forwarded to another party instead for action.

5.3 In 2008/2009 189 Highways Claim Forms were issued to Claimants with 149 being returned completed. Only 145 of those forms returned were registered with our Insurers as the remaining four were forwarded to another organisation for them to deal with.

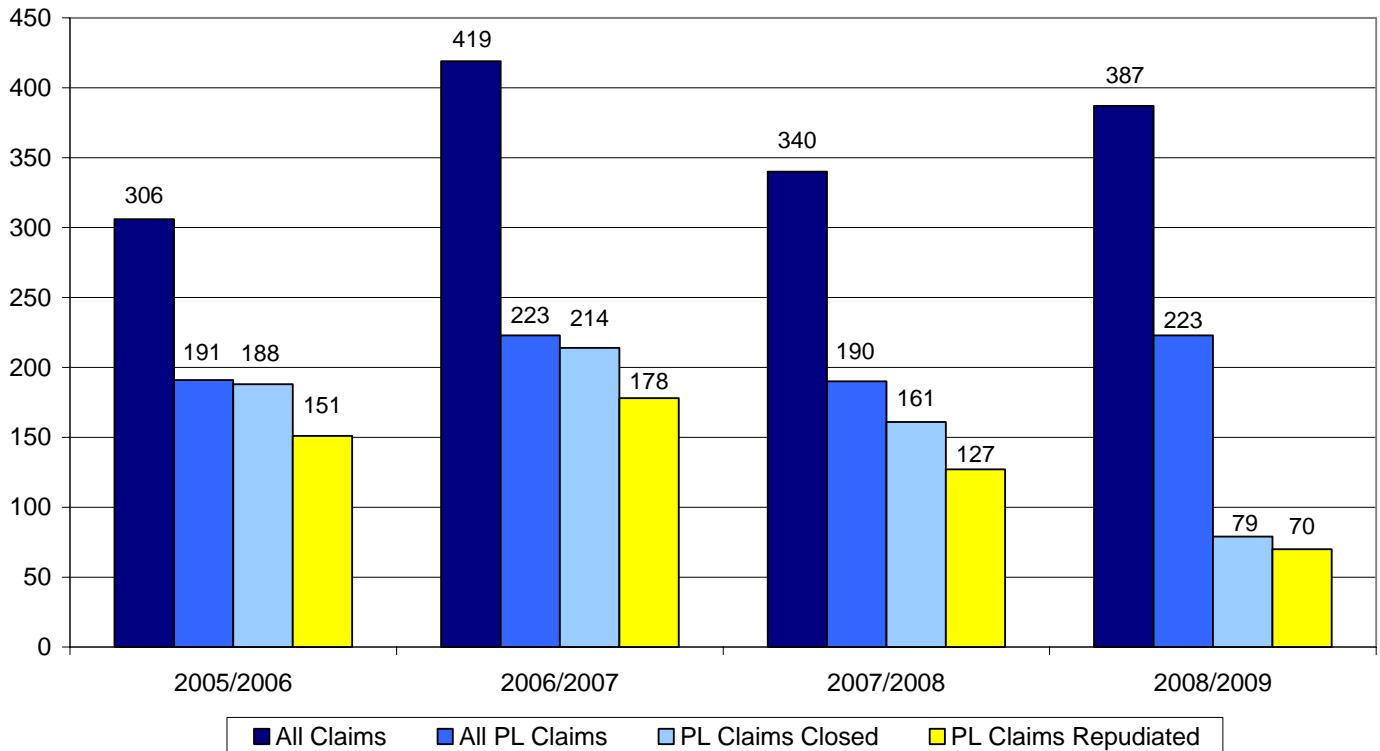
5.4 Table 6 details the service areas where claims have been received. Highways is the area in which the majority of claims are received. This is to be expected, bearing in mind the length of highway in our County (440 km of principal roads, 4,600 km of lesser category roads and 44 km of dual carriageways). Separate annual reports are prepared for each of the Directorates and also for Highways. For a copy of any of these reports, please contact any member of Risk Management and Insurance.

(Table 6: **Public Liability claims received in service areas**)

<b>Service Area</b>	<b>2005/2006</b>	<b>2006/2007</b>	<b>2007/2008</b>	<b>2008/2009</b>
Children & Young People's	1	4	1	2
Countryside & Heritage	0	3	1	1
County Training	0	1	0	1
Development Services	0	5	4	3
Highways	174	190	164	201
Learning Disabilities	0	0	3	0
Legal & Democratic	0	2	0	0
Libraries	1	1	0	0
Older People & Disabilities	1	3	0	0
Primary Education	3	7	3	4
Resources	1	2	2	1
Secondary Education	8	3	11	9
Shire Services: Catering	0	1	0	0
Special Education	0	0	1	0
West Mercia Supplies	1	1	0	0
Youth Service	1	0	0	1

## Public Liability Claims Comparison

(Chart 4)



- 5.5 Chart 4 above highlights the total of all the claims received in each policy year and shows the number that relate to claims made under the Authority's Public Liability insurance. The chart also shows the number of claims closed and those claims closed with no payment, i.e. repudiated. The high number of claims that are repudiated by Insurers is made possible as a result of the risk management processes which are in place within the Council i.e. thorough inspection regimes and recording systems.
- 5.6 It is important to remember that not all claims are settled in the same year that they are received. Some claims can be complicated and take several years to process. These complicated claims can be delayed by the complexity of the issue to be investigated or the Claimant may have unresolved medical issues as a result of an injury.
- 5.7 Table 7 provides details of the types of claim received which have now been closed and where they have been closed with a payment made, the average of those payments.
- 5.8 The majority of claims received in 2006/2007 have now been closed, only nine claims from this policy year remain open. With fewer claims open it is possible to gain a good overall picture of the average cost of settled claims. The figures for 2008/2009 will be skewed by the fact that over half the claims received in this policy period are still open.
- 5.9 The majority of the claims received under the Public Liability insurance policy relate to the Authority's highways, either footways or carriageway. The average cost of claims for property damage is considerably lower than the average cost for personal injury. There are two reasons for this:
1. Settlement for injuries sustained are costly. It is not possible to place a definitive amount of compensation for specific injury and medical evidence will be necessary to prove how severe a Claimant's injury is. If the Claimant takes some time to recover, several visits to a doctor maybe required or, a specialist medical doctor may be needed to provide the diagnosis. Both of these take time and the second of these takes money.
  2. Most Claimants injured in an incident will employ solicitors to bring their claim against the Authority thus adding the costs of these solicitors to the cost of the claim.

(Table 7: **Public Liability claims showing total number of claims closed and the average payment of those closed where a payment is made**)

	2006/2007			2007/2008			2008/2009		
	No.	No. Paid	Average Paid	No.	No. Paid	Average Paid	No.	No. Paid	Average Paid
Abuse	2	1	£123	-	-	-	-	-	-
Damage/loss of Third Party property	1	1	£696	1	1	£150	1	1	£540
Damage to underground cable	2	0	£0	2	0	£0	3	0	£0
Defective equipment	5	2	£93	5	2	£8,599	-	-	-
Defective premises condition	-	-	-	2	2	£58	3	3	£519
Failure to educate	-	-	-	1	1	£3,978	-	-	-
Inadequate supervision	5	2	£5,688	6	4	£2,963	4	1	£249
Insufficient information	1	0	£0	1	0	£0	2	0	£0
Loose debris carriageway	10	1	£1,027	10	0	£0	7	0	£0
Other	18	4	£4,303	10	2	£1,684	3	0	£0
Signs carriageway	5	0	£0	3	1	£1,939	1	0	£0
Signs footway	1	0	£0	-	-	-	-	-	-
Surface defect carriageway	99	17	£354	81	13	£2,036	41	4	£330
Surface defect footway	47	5	£7,878	26	2	£7,378	8	0	£0
Tree Roots	2	1	£1,850	1	1	£7,709	-	-	-
Verge defect	5	2	£459	7	4	£163	1	0	£0
Winter/snow/ice carriageway	5	0	£0	5	1	£264	5	0	£0
Winter/snow/ice footway	6	0	£0	-	-	-	-	-	-
<b>Total</b>	<b>214</b>	<b>36</b>	<b>£2,188</b>	<b>161</b>	<b>34</b>	<b>£2,602</b>	<b>79</b>	<b>9</b>	<b>£407</b>

5.10 Of the 454 claims closed in the three policy years shown in Table 7, only 79 claims were settled with payments made. This means that 375 claims were repudiated by Insurers. Had Shropshire County Council had to pay for those repudiated claims there would potentially have been an additional £1,305,112 payable from the Insurance Fund. Thus the benefits of good risk management and the hard work undertaken by the highways team can be clearly seen.

5.11 If we are not deemed legally liable for a claim and the claimant takes the Council to court, then we will defend these claims where practicable to do so. During this last policy year three cases were taken to court although all of these related to claims received during 2007/2008 policy year. We can confirm that all three cases were won by the Council where the judge found that we either had an adequate inspection regime in place, or the defect was outside of the Council's control. Overall these three cases resulted in a saving to the Council in the region of £132,000.

## 6.0 Employer Liability

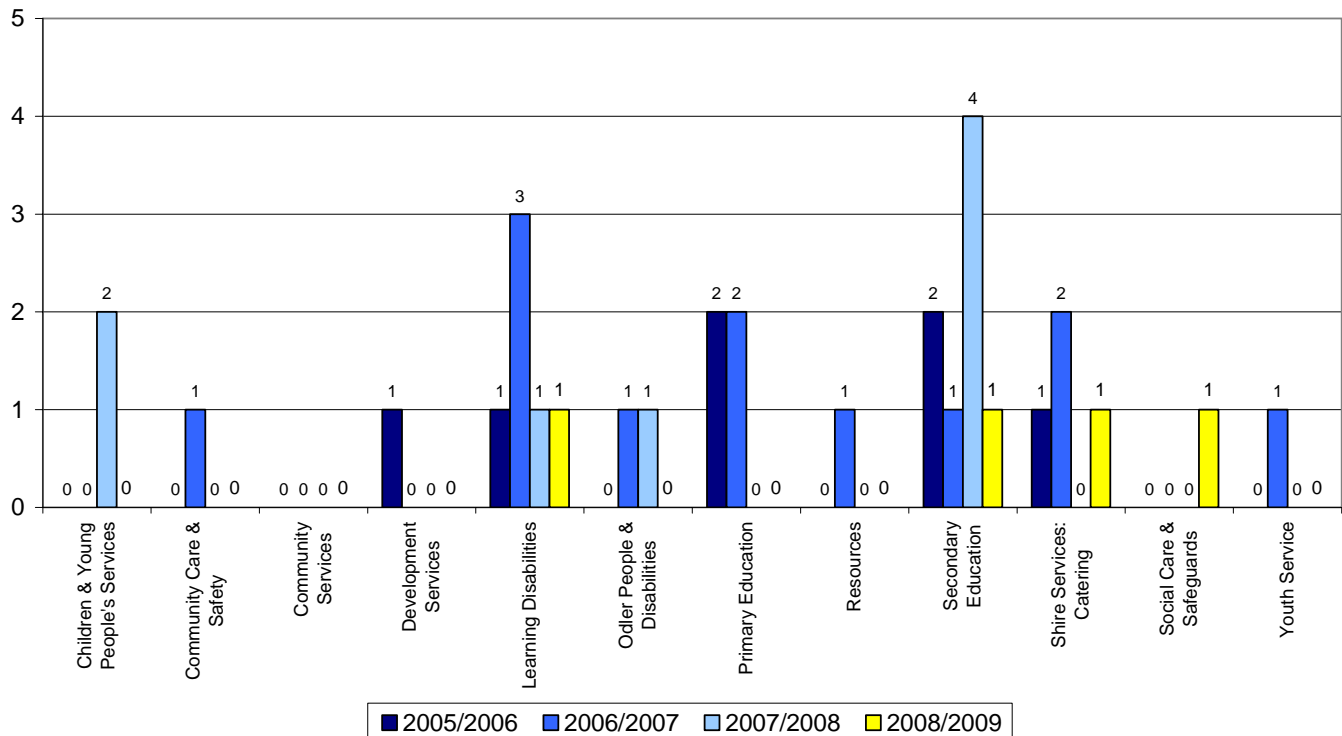
- 6.1 Employer Liability claims are received from employees who sustain an injury during the course of their employment as a result of the employer's negligence.
- 6.2 It is more difficult to compare Employer Liability claims as they are received in smaller numbers. Although the numbers are smaller, the amount paid on claims is substantially more than paid on a Public Liability claim. The higher payout is due to two reasons one, the Claimant will have a solicitor involved and two, the onus on the Authority to have safe work practices in place is very high.

(Table 8: **Employer Liability claims open with reserves**)

Policy Year	Claims Received	Claims Open	Total Reserves on Open Claims	Average Reserve
2005/2006	7	0	0	0
2006/2007	12	0	0	0
2007/2008	8	3	£92,468	£30,823
2008/2009	4	4	£38,000	£9,500

- 6.3 The highest number of claims received over the past four years was in the 2006/2007 policy year. The number received in the latest policy year is the lowest number received for the past four years.
- 6.4 One area consistently receiving Employer Liability claims is schools.

**Number of Claims Received in Policy Year by Service Area**  
(Chart 5)



6.5 Table 9 provides details of the types of claim received which are still ongoing and the average reserve allocated. There are now no claims open that were received in 2005/2006 and 2006/2007 and as such they have not been included in this table.

(Table 9: **Number and type of open Employer Liability claims showing average reserve**)

	2007/2008		2008/2009	
	No.	Average Reserve	No.	Average Reserve
Fall	-	-	2	£10,000
Manual handling other	1	£20,848	1	£10,000
Other	1	£55,000	-	-
Repetitive work process	1	£16,620	-	-
Slip/Trip	-	-	1	£8,000

6.6 Table 10 provides details of the types of claim received which have now been closed and where they have been closed, the average payment made.

6.7 As all the claims received in 2005/2006 and 2006/2007 have now been closed this provides a better picture of the average cost of those claims paid. The figures for 2007/2008 will be skewed by the fact that the majority of the claims received in this policy period are still open and being dealt with. The policy year 2008/2009 has not been included in this table as all the claims are still open.

6.8 During 2005/2006 and 2006/2007 the majority of the claims received related to slips and trips at work.

6.9 The second most predominant cause of claims relates to manual handling, either objects or people.

(Table 10: **Number and Types of Employer Liability claims received with total number of claims closed and the average payment made on the closed claims**)

	2005/2006			2006/2007			2007/2008		
	No.	No. Paid	Average Paid	No.	No. Paid	Average Paid	No.	No. Paid	Average Paid
Assault	-	-	-	1	0	£0	-	-	-
Fall	-	-	-	1	0	£0	-	-	-
Manual handling other	2	0	£0	1	1	£10,525	1	1	£8,025
Manual handling people	-	-	-	-	-	-	1	0	£0
Other	-	-	-	2	0	£0	2	0	£0
Other work process	-	-	-	-	-	-	1	0	£0
Slip/trip	5	2	£8,222	5	2	£9,455	-	-	-
Using machinery	-	-	-	1	1	£10,820	-	-	-
Using /Hit by vehicle	-	-	-	1	0	£0	-	-	-
Total	7	2	£8,222	12	4	£10,064	5	1	£8,025

6.10 Of the 24 claims closed in the three policy years shown in Table 10, only five claims were settled with payments made. This means that 19 claims were repudiated by Insurers.

6.11 It is interesting to note, that had Shropshire Council had to pay for those 19 repudiated claims there would have been an additional £164,920 payable from the Insurance Fund.

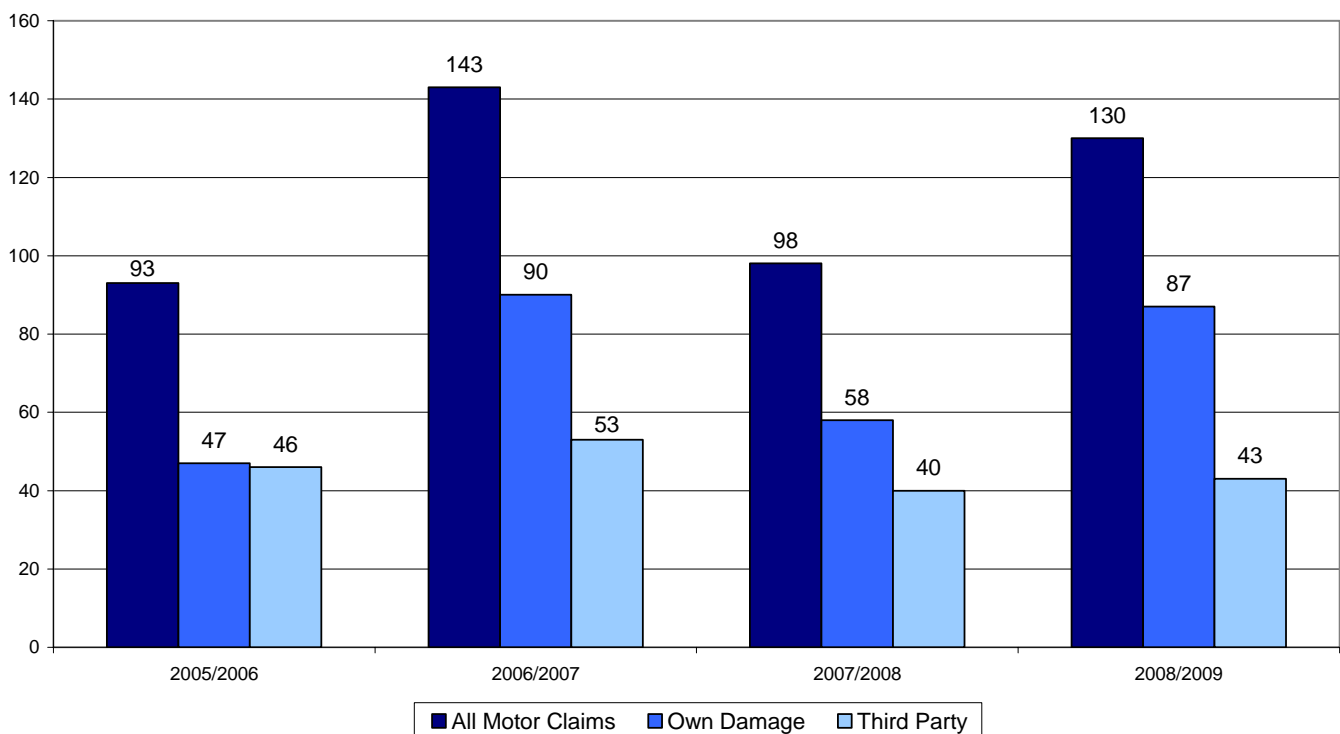


## 7.0 Motor

- 7.1 Motor claims fall into one of two categories, “Third Party” or “Uninsured Motor”. Third Party claims are where another person/property/vehicle is involved and Uninsured Motor is where only our vehicle is involved or the Third Party details are unavailable.
- 7.2 We have taken the decision to insure our motor vehicles on a third party only basis. This means that any damage to our own vehicles is paid from an internal Insurance Fund and not by our Insurers. The two categories are registered separately on the insurance database and the split can be seen in Chart 6 below.

### Motor Claims by Category

(Chart 6)



- 7.3 Comparing the figures in Chart 6 it is clear to see that the number of motor claims received in 2008/2009 has increased from the previous policy year. However, whilst it is good to see that the number of claims involving Third Parties remains similar for the past four policy years, this does mean that the Council’s own damage claims have increased.
- 7.4 By looking at the type of Uninsured Motor claims in more detail it will be possible to ascertain if there are specific incidents occurring that could be reduced or prevented. This examination will be undertaken in the annual report prepared for Shropshire Council’s Transport Operations Group.

## 8.0 Motor - Own Damage

- 8.1 The own damage (i.e. uninsured Motor claims because we self insure) are claims received where there is no Third Party or Third Party property involved, or the Third Party cannot be traced (e.g. wing mirror collision where our driver did not get the registration).
- 8.2 Included in the 2006/2007 total are claims where damage was found when the vehicle was inspected but was not as a result of an identifiable incident (usually recorded as "Other" or "Insufficient information"). These types of claims are no longer accepted and this is one of the reasons for the drop in claims during the 2007/2008 policy year.
- 8.3 Table 11 below records our Uninsured Motor claims in more detail showing where we are at fault and also the types of claims that were received.

(Table 11: **Uninsured Motor Claims Analysis**)

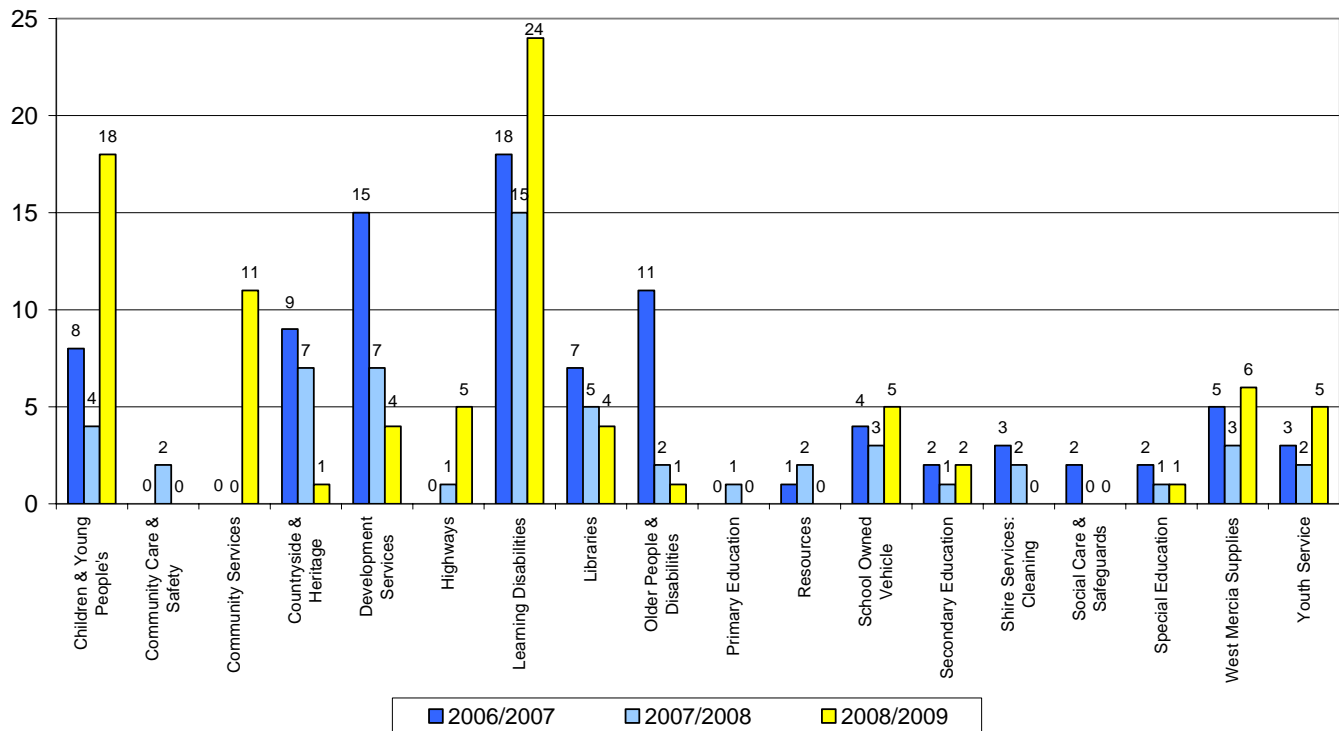
	2006/2007		2007/2008		2008/2009	
	No.	Net Paid	No.	Net Paid	No.	Net Paid
<b>All claims received</b>	143	£75,660	98	£71,685	130 *	£52,450
Uninsured Motor	90	£24,561	58	£24,137	87	£21,405

<b>OWN DAMAGE</b>	No.	Net Paid	No.	Net Paid	No.	Net Paid
Are we at fault?						
Yes	43	£12,611	8	£11,977	52 †	£13,743
No	37	£9,723	28	£11,511	22	£6,475
Unknown	10	£2,228	22	£649	13	£1,188

<b>CAUSES of Own Damage</b>	No.	Net Paid	No.	Net Paid	No.	Net Paid
Attempt to avoid collision	2	£430	8	£1,150	4	£576
Collision with vehicle travelling in opposite direction	3	£90	3	£121	3	£455
Collision with pedestrian/animal	1	£78	1	£33	2	£116
Debris/object on carriageway	-	-	-	-	1	£150
Hit Third Party in rear	-	-	-	-	1	£72
Hit parked vehicle	1	£297	-	-	-	-
Ice/snow/flood	-	-	2	£4,832	1	£0
Insured vehicle left road	-	-	-	-	1	£250
Insured vehicle reversing	19	£5,845	12	£4,145	24	£4,627
Insufficient information/Other	14	£3,104	-	-	-	-
Loading/Unloading	2	£161	-	-	-	-
Manoeuvring	5	£1,200	4	£1,527	7	£1,885
Misjudgement	4	£2,329	6	£3,250	15	£6,304
Object fell from insured vehicle	-	-	-	-	1	£258
Other	10	£2,350	1	£1,835	2	£436
Parked and unattended	3	£355	4	£929	6	£1,175
Theft from vehicle	-	-	2	£1,301	9	£448
Vandalism	11	£4,922	7	£2,795	1	£64
Windscreen	15	£3,400	8	£2,219	9	£4,588

- 8.4 Please note that some claims are still currently being dealt with and therefore the figures for 2007/2008 are not definitive.
- 8.5 Although it is pleasing to note that the number of vandalism claims has continued to reduce, the number of claims where our vehicles have been damaged whilst left parked and unattended has increased.
- 8.6 It is disappointing to note that despite Transport Operations Group installing reversing cameras and radars on some of their vehicles, the number of reversing, manoeuvring and misjudgement claims have increased. Further analysis of these claims will be undertaken in the Transport Operations Group Annual Insurance Report as only the larger vehicles were fitted with the cameras and radars.
- 8.7 Chart 7 below shows claims received for Uninsured Motor over the past three policy years by Service Area.

**Uninsured Motor Claims by Service Area**  
(Chart 7)



- 8.8 There has been a marked increase in the number of claims submitted by CYPS, Community Services and Learning Disabilities. Further analysis of this increase will be undertaken and discussed directly with the various Directorates.

## 9.0 Motor - Third Party

- 9.1 Third Party claims are where a Third Party or their property is involved in an incident. This could be an incident where we are at fault or where the Third Party is at fault.
- 9.2 When the incident has been the fault of the Third Party, the Authority always seeks to recover its uninsured losses. A legal expenses company is employed to carry out the recovery for the Authority and also to pursue any claim for personal injury for any of our drivers or passengers injured as a result of the accident.
- 9.3 Table 12a below details the payment made to the Third Party by the type of claims that were received.

(Table 12a: **Motor claims analysis - Third Party damage**)

	2006/2007		2007/2008		2008/2009	
	No.	Net Paid	No.	Net Paid	No.	Net Paid
<b>All claims received</b>	143	£75,660	98	£71,685	130	£52,452
Claims involving Third Parties	53	£51,099	40	£47,548	43	£31,044

<b>CAUSES of Third Party damage</b>						
Attempt to avoid collision	5	£2,187	3	£1,281	2	£0
Collision with vehicle travelling in opposite direction	5	£3,611	1	£0	8	£7,060
Collision at roundabout	-	-	-	-	1	£0
Crossroads collision	1	£5,309	-	-	-	-
Emerged from minor road	-	-	2	£2,156	-	-
Hit in rear	4	£0	3	£0	5	£0
Hit parked vehicle	2	£1,042	2	£1,872	6	£2,621
Hit Third Party in rear	3	£15,293	2	£6,280	2	£4,861
Insured vehicle reversing	10	£6,770	13	24,042	7	£1,226
Insufficient information	1	£0	-	-	-	-
Loading/unloading	-	-	1	£0	1	£0
Lost control of vehicle	-	-	1	£0	-	-
Manoeuvring	7	£6,527	1	£1,355	2	£0
Misjudgement	5	£451	3	£85	3	£430
Other	5	£294	4	£3,617	-	-
Third Party emerged from minor road	2	£1,188	4	£0	3	£0
Third Party vehicle reversing	3	£0	-	-	3	£0
<b>TOTAL</b>	<b>53</b>	<b>£42,672</b>	<b>40</b>	<b>£40,689</b>	<b>43</b>	<b>£16,197</b>

- 9.4 Please note that there are still claims open and being dealt with for the policy years 2006/2007, 2007/2008 and 2008/2009. Usually where there is only damage to vehicles the claims can be dealt with swiftly. However, where a claim involves personal injury to either our driver or the Third Party, the matter can be ongoing for a number of years. This is due to injuries requiring time to heal and medical reports having to be obtained.
- 9.5 Also, it should be pointed out that claims involving injuries are much more costly than those involving damage to vehicles alone.
- 9.6 Table 12b details the cost of damage to our own vehicles, where Third Party incidents have occurred, by the type of claims that were received.

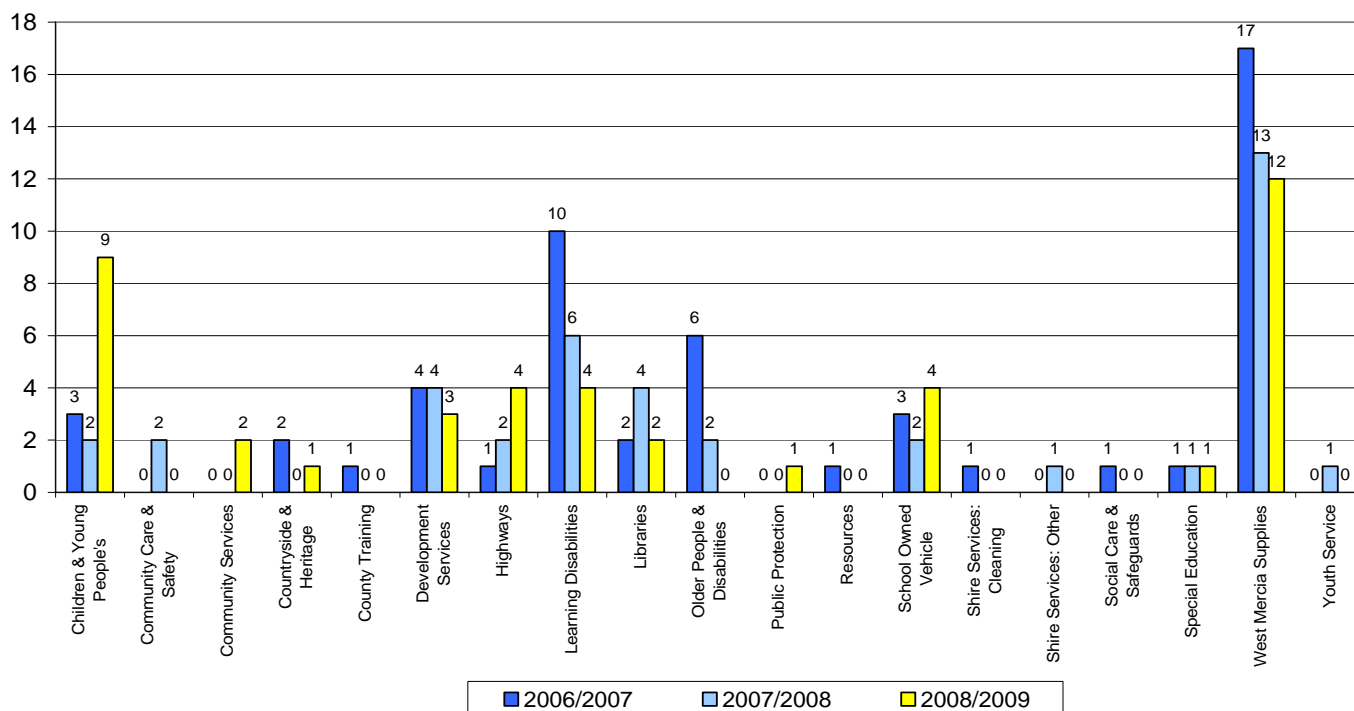
(Table 12b: Motor claims analysis - Own Damage)

	2006/2007		2007/2008		2008/2009	
	No.	Net Paid	No.	Net Paid	No.	Net Paid
<b>All claims received</b>	143	£75,660	98	£71,685	130	£52,450
Claims involving Third Parties	53	£51,099	40	£47,548	43	£31,044

<b>CAUSES of own damage (Third Party claims)</b>						
Attempt to avoid collision	5	£701	3	£2,318	2	£1,157
Collision with vehicle travelling in opposite direction	5	£1,673	1	£0	8	£4,466
Collision at roundabout	-	-	-	-	1	£0
Crossroads collision	1	£583	-	-	-	-
Emerged from minor road	-	-	2	£938	-	-
Hit in rear	4	£0	3	£175	5	£1,185
Hit parked vehicle	2	£0	2	£0	6	£674
Hit Third Party in rear	3	£1,370	2	£0	2	£5,556
Insured vehicle reversing	10	£657	13	£874	7	£944
Insufficient information	1	£0	-	-	-	-
Loading/unloading	-	-	1	£0	1	£0
Lost control of vehicle	-	-	1	£1,353	-	-
Manoeuvring	7	£325	1	£537	2	£0
Misjudgement	5	£535	3	£697	3	£224
Other	5	£2,015	4	-£16	-	-
Third Party emerged from minor road	2	£416	4	-£18	3	£257
Third Party vehicle reversing	3	£150	-	£0	3	£346
<b>TOTAL</b>	<b>53</b>	<b>£8,424</b>	<b>40</b>	<b>£6,859</b>	<b>43</b>	<b>£15,580</b>

9.7 Chart 8 shows the Motor claims over the past three policy years by Service Area, with most areas showing a reduction in this type of claim from the previous year, with the exception of CYPS which have shown a marked increase.

**Motor Claims by Service Area**  
(Chart 8)



## 10.0 Property

10.1 Table 13 shows the number and types of claim that are still open. Table 14 details claims which have now been closed and, where they have been closed, the average payment made.

(Table 13: **Number and Types of Open Claims showing Average Reserve**)

	2006/2007		2007/2008		2008/2009	
	No.	Average Reserve	No.	Average Reserve	No.	Average Reserve
Burst pipes	-	-	-	-	1	£10,000
Storm	-	-	-	-	3	£10,925
Total	-	-	-	-	4	£10,694

(Table 14: **Number and Types of Claim Received with Total Number of Claims Closed and the Average Payment**)

	2006/2007			2007/2008			2008/2009		
	No.	No. Paid	Average Paid	No.	No. Paid	Average Paid	No.	No. Paid	Average Paid
Burst pipes	3	3	£2,877	6	6	£4,350	2	1	£1,732
Fire	3	3	£2,141	1	1	£1,479	-	-	-
Lightning/thunder	1	1	£511	3	3	£2,206	-	-	-
Storm	21	16	£3,373	14	11	£1,462	8	2	£318
Other	1	0	£0	-	-	-	-	-	-
Total	29	23	£3,023	24	21	£2,394	10	3	£789

10.2 During 2006/2007 and 2007/2008 there were severe storms countrywide and many parts of Shropshire were affected by high winds and flooding. Shropshire County was fortunate not to suffer any serious damage.

10.3 With PL, EL and Motor claims, the Authority has no control over when these claims are received from a Third Party. Although there are legal timescales set down, the Claimant still has three years or more in which to submit a claim.

10.4 Where Own Damage and Property claims are concerned the Authority has a little more control. Own Damage claims are self insured and rely on an internal insurance fund. Property is insured, but as there is a large deductible, the Authority self insurers under this figure. For the policy years considered in this report the deductible was £250,000.

10.5 In order to ensure there is sufficient money in the insurance fund, it is important to know as much as possible about claims as soon as they arrive. This way we can analyse the figures and produce a more accurate assessment to ensure an adequate fund level.

10.6 When we looked at the comparison of when the incidents occur and when they are reported, the results were disappointing.

- 10.7 In 2006/2007, of the 30 claims received, five were not received until over a month after the incident and one was received three months after the incident.
- 10.8 In 2007/2008 we received 24 claims in total. Of these, over half of them were received a month after the incident. Eight were received over three months after the incident and three of these were in fact received four months after the incident.
- 10.9 In 2008/2009 ten claims were received of which, one was received two months after the incident, two were received three months after the incident and one was received six months after the incident.
- 10.10 It is important that incidents are notified to Risk Management and Insurance team as soon as possible in order that these can be dealt with properly and in good time, without prejudicing our position with insurers.
- 10.11 Under the terms and conditions of our Property insurance our Insurers would have to be notified within 28 days of the incident. If in the future the excess on our Property cover is reduced then many of the claims above may well have been refused.

## 11.0 Other Claims

- 11.1 As previously mentioned, there are other policies that Risk Management and Insurance provide. They are not as key as the main policies already covered in this report and this section will provide a brief breakdown.

## 12.0 Land Charges

- 12.1 Over the past three policy years four Land Charges' claims have been received.
- 12.2 Two claims received in 2006/2007 are closed with no payments having been made. The claim received in 2007/2008 is still being investigated by Insurers and it has a reserve of £100,000. The claim received in 2008/2009 has been closed with a settlement of £808.

## 13.0 Foster Carers'

- 13.1 This policy was introduced in 2006/2007 to provide cover for foster carers' property while they are fostering children. The policy will only provide cover where the foster carers' own insurance does not. There is also an excess of £100 on this policy.
- 13.2 Three claims have been received since the policy was first introduced:
- 2006/2007 a claim for theft was received but not paid.
  - 2007/2008 a claim for fire damage was received but not paid.
  - 2008/2009 a claim for accidental damage was received and settled for £215.

## 14.0 Official's Indemnity

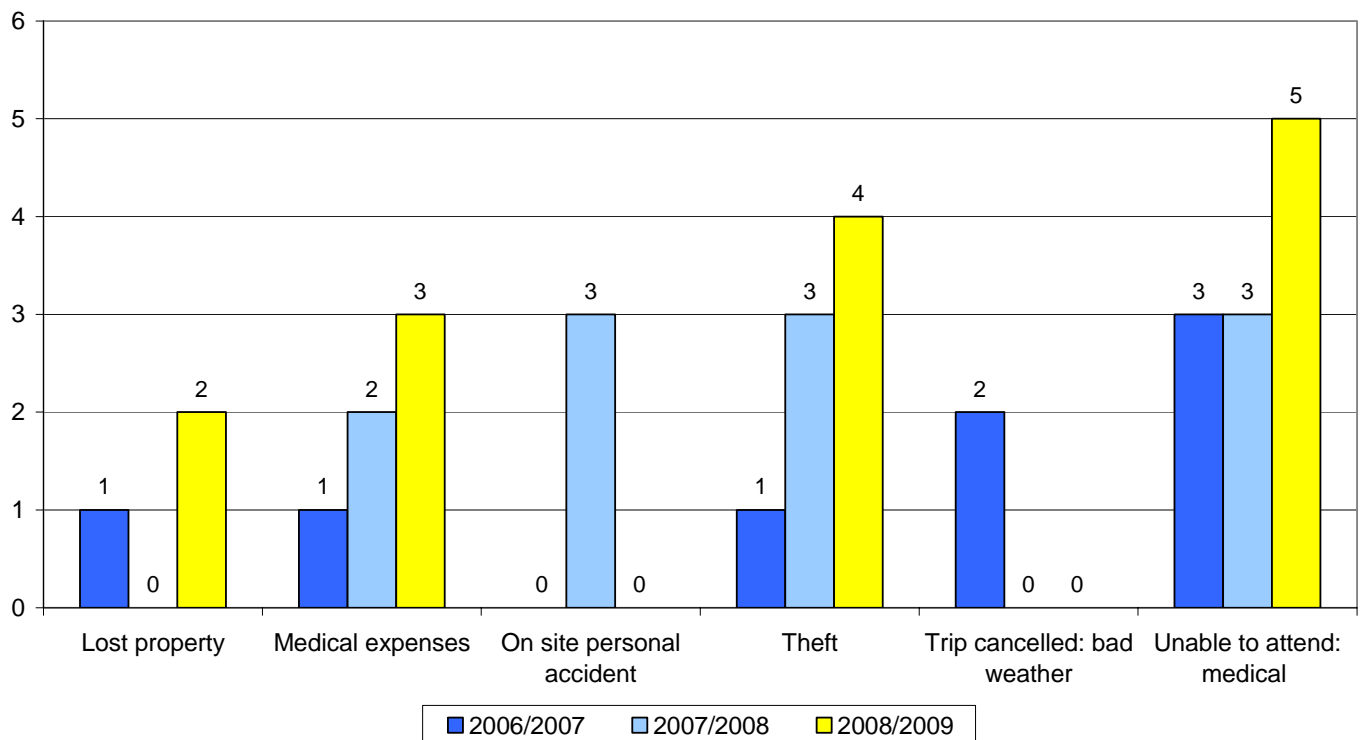
- 14.1 Official's Indemnity provides insurance cover for claims where there has been a financial loss only. If a claim includes property damage or personal injury then these are dealt with under the Public Liability policy.
- 14.2 Examples of the types of claims received and dealt with under this policy include: loss of earnings due to roadworks, late completion of forms leading to loss of benefits, incorrect advice given on planning application led to increase in costs being incurred.
- 14.3 Six claims were received during the 2007/2008 policy year. One claim is still open and has a reserve of £20,000. Of the remaining five claims that have been closed, three have been settled with an average payment of £857.
- 14.4 Two claims were received in 2008/2009 both of which are open with an average reserve of £19,520.



## 15.0 Schools' Travel Scheme

- 15.1 This scheme was introduced in 2006/2007 and runs on an annual basis from October each year. It is not compulsory for schools to join this scheme, but the cover and costs quoted by our Insurers are very attractive compared to other schemes. Currently, 91% of all Shropshire Council's schools are included in this scheme.
- 15.2 In 2006/2007 eight claims were received which were all settled by our Insurers. The average payment was £477.
- 15.3 In 2007/2008 eleven claims were received. Nine claims were settled by our Insurers with an average payment of £193. Two claims were for personal injuries on the school site, but as the policy does not provide cover for non-permanent injuries these claims were closed with no payments made.
- 15.4 In 2008/2009 14 claims were received. Two claims are ongoing and have an average reserve of £500, while the 12 remaining claims have been settled with average payments of £213.
- 15.5 Chart 9 details the number and types of claims received over the last three policy years.

**Schools' Travel Scheme Number and Type of Claims**  
(Chart 9)



- 15.6 As this scheme has been so successful, it has been expanded to include the Youth Centres, part of County Training and part of Connexions.

## 16.0 Conclusion

- 16.1 Whilst it is noted that the total number of claims received has increased over the last year (by 47 claims), the numbers are still less than the policy year 2006/2007. The increase is mainly within public liability claims and motor claims. In our last annual report we did comment that, with a hard economy and families under financial pressure that we may start to see an increase in public liability claims and this has shown to be the case.
- 16.2 It is disappointing to note that the number of manoeuvring claims under the motor policy has increased. Although the Transport Operations Group have installed reversing cameras in some vehicles, the number of vehicles having cameras may need to be increased. We produce a detailed report for the Transport Operations Group and this is one area that we will investigate fully and try to identify any trend in the increase in numbers.
- 16.3 We continue to repudiate a high number of Public Liability claims and this is down to the excellent work by the Highways Technicians, and their support staff, who carry out regular and accurate inspections and have a good recording system in place in order that we can defend our claims. Had Shropshire Council had to pay for the repudiated claims over the three policy years, then the cost to the council would have been in the region of £1,305,112. We have also successfully defended three cases in court this policy year with a saving to the Council in excess of £132,000. Thus the benefits of good risk management and the hard work undertaken by the highways team can be clearly seen.
- 16.4 It is excellent to note that the number of Employer Liability claims has reduced to its lowest level in four years, with only four employer liability claims being received. This again shows the benefit of good risk management and health and safety within the council and that all procedures are being followed with support given to members of staff.
- 16.5 It was pleasing to note that there was a continued reduction in the number of property claims from the previous policy years. We are to some degree at the mercy of the weather in respect of property claims, but if we ensure our properties are kept in good order then storm damage could be kept to a minimum. With the possibility of global warming and unsettled weather patterns, we could see an increase in the number of property claims in the future.
- 16.6 We have also seen a reduction in the number of Officials Indemnity claims, where the loss is purely financial. These types of claims normally arise due to the failure of staff to follow procedures, although some can be beyond our control. As with all claims, these are investigated thoroughly and a payment will only be made where a liability attaches.
- 16.7 The schools travel scheme continues to be a success with more schools joining the scheme during the year. The scheme gives the council the comfort of knowing that the majority of schools now have a suitable policy in place when they take their children on a trip. The claims that have been received have been varied, but all have been dealt with promptly and fairly by the insurers. This scheme is run separately from our main policy and is with a different insurer. Currently 91% of schools have opted to join the scheme and have made substantial savings when compared to what they were previously paying.
- 16.8 As detailed at the beginning of this report, our insurance arrangements for Shropshire Council have changed; we have new insurers and have reduced our deductibles whilst at the same time increasing our level of cover. New service areas have now been added to the insurance such as housing and leisure and it will be interesting to see how our claims history develops over the forthcoming years.