



Annual Insurance Report
2010/2011

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Introduction

This report is based on claims data extracted from QLAS, the claims database used by the Risk Management Team, providing an overview of Shropshire Council's claims experience. The data used for this report relates to claims made against the following policy years:

1 April 2009 to 31 March 2010

1 April 2010 to 31 March 2011

The data was collated on 9 May 2011 and provides a snapshot of the claims position at this date.

This report analyses the data to identify any trends and key areas of risk.

The data held on the QLAS database is regularly monitored throughout the year to ensure that any major claims, areas of risks or trends are identified at an early stage and any necessary action to mitigate the risks are discussed with the relevant service area/team.

Contact Details

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Summary

There is a notable increase in the number of claims made against the 2010/2011 policy year compared with the previous policy year - an increase of 29 claims.

However it is interesting to see that although there has been a large increase in the number of property claims received due to burst pipes over the last winter period, 72 claims in 2011/2011 compared to 10 in 2009/2010, the number of Public Liability claims remains constant, 263 claims in 2010/2011 compared with 264 in 2009/2010.

As the majority of the Public Liability claims received are for damage to vehicles/injuries sustained on our highways we would have expected to see an increase after the severe cold weather. However, the number of claims received in this area has not increased and this is pleasing to note.

It is good to see a marked decrease in the number of Motor claims received, especially for those incidents where there is no third party involvement, i.e. we have damaged our own vehicle only.

We still have a high repudiation rate on our Public Liability claims and this is because of the exceptional work carried out by our Highway Technicians and their support staff. As a result of the regular and accurate inspections carried out and the fact that this is clearly recorded, our Insurers are able to defend the majority of highway and footway related claims.

The good work carried out by Shropshire Council staff is again proven by the cost we could have incurred if those repudiated claims had to be paid, saving a total of £560,130.

An additional saving of £34,400 has been made over the last policy year through use of the claim form for claimants to complete.

Taking part in the CIFPA benchmarking exercise has proven that Shropshire Council has a good claims history and its premiums for insurance cover are much lower than for other authorities.

It is unfortunate that we had two major Property claims in 2009/2010 and also the large number of Property claims in 2010/2011 - otherwise these two years would have been much quieter.

Moving into the future the Risk Management Team plans to introduce a new claims handling system. The current system is a very old, basic database which requires high maintenance and requires that paper copies are still kept. Approval has been granted for the purchasing of a new system which will not only improve the quality and quantity of data to be stored, but will also allow the service to move to a paperless office with all documents being stored electronically.

Overview

Shropshire Council has a large insurance portfolio which reflects the liabilities we face as a result of the services we undertake. The exposure is varied, from our responsibility as employers, to our responsibility as property owners. The insurance portfolio also has to reflect our risk appetite and it therefore comprises elements of self insurance with cover from an independent insurance company.

The main areas of cover, which are discussed in detail within the report, are Public Liability, Employers Liability and Property. Having considered our risk appetite, the cost of premiums and our ability to self insure, we have opted to take a policy excess for all of these areas of £100,000. To enable us to fund any claim beneath this excess we have an internal Insurance Fund from which the majority of claim payments are made. The insurance recharges which are made to individual services and teams therefore include two elements:

- Payment of the insurance premium to Insurers.
- Contribution towards the internal Insurance Fund.

To provide robust catastrophic cover we have in place an aggregate stop loss which amounts to £1,450,000 for liability claims and £600,000 for property claims. This ensures that should we have a series of high value claims, our exposure would be restricted to the aggregate stop loss, i.e. any claims above the stop loss figure would be paid entirely by insurers.

We are currently insured by Risk Management Partners and are in the third year of a long term agreement which comprises three years with an option to extend for a further two. Each year a renewal procedure is completed to ensure accurate details of our portfolio are held by insurers.

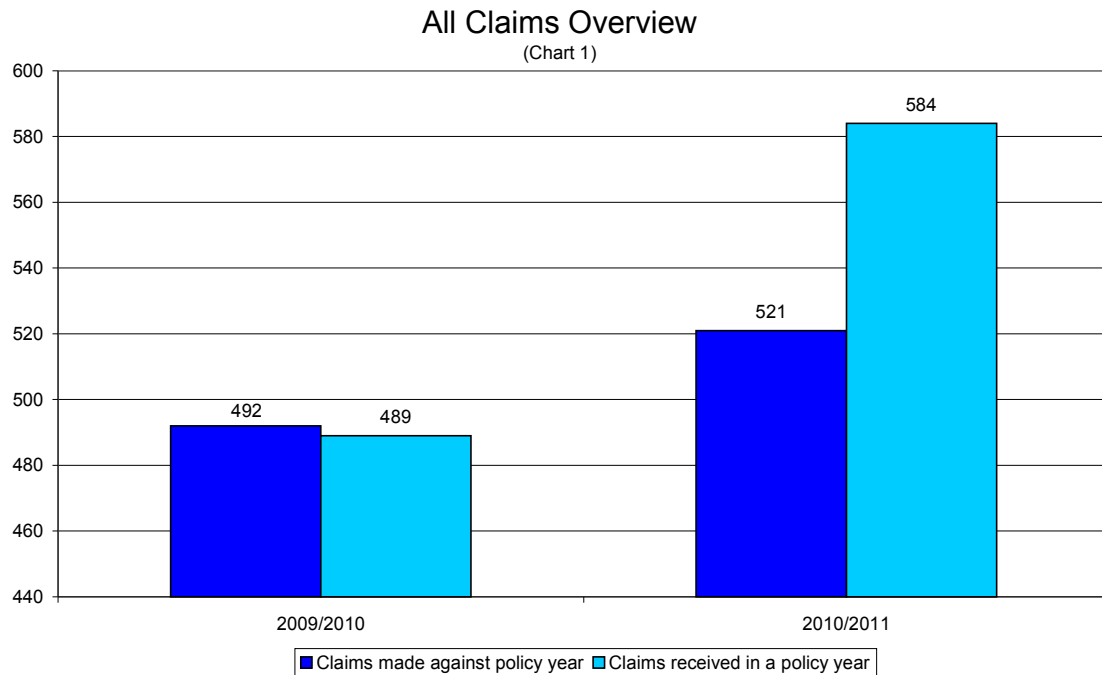
Our Insurers, when they receive a claim against us, will allocate the incident a “reserve”. This is an amount which Insurers consider reflects the potential cost of a claim including such things as the cost of damage/injury, solicitors fees, medical fees, loss of earnings etc. The reserve will be reviewed throughout the life of the claim as matters progress and more information becomes available. This reserve allows us to manage our potential exposure and ensure that our internal Insurance Fund has an adequate level to cover our exposure.

There are legal limitations for how long someone has to bring a claim against us. For the majority of injury or property damage claims, a person has three years from the date of the incident to enter a claim for compensation. There are exceptions to this rule which this means that claims data cannot be confirmed as definitive for many years. However, as the majority of claims are received within three years of an incident occurring, it is possible to provide an overall indication of the trend of claims being received.

There are two ways in which claims data can be analysed:

- Claims received in a policy year
- Claims made against a policy year

Chart 1 demonstrates the difference between claims made against a policy year compared with claims received in a policy year.



There is a clear picture that the number of claims being made against the authority has increased during the last policy year. This report will review the data to find the reason(s) for this.

It is important to understand that it is not possible to control the number of claims made against us. What is important is that we have robust, documented policies and procedures in place to repudiate claims, i.e. proving we have not been negligent and have taken all reasonable steps to reduce the risk of incidents occurring.

Table 1 shows the number of claims open as at 9 May 2011 and the total of their reserves.

Table 1: Open claims with reserves

Policy Year	Open	Reserve £	Average reserve £
2009/2010	50	818,807	16,376
2010/2011	300	1,241,255	4,138

Viewing Table 1 and Chart 1 together we can see that of the 492 claims made against policy year 2009/2010 there are 50 claims still open. It is

important to remember that complicated claims may remain open for many years after they are made and, by their very nature, have larger reserves.

Table 2 shows claims closed, including those closed with payment made and those closed with no payment made.

Table 2: Closed claims

Policy Year	Claims closed	Claims closed no payment (number)	Claims closed no payment (%)	Closed with payment	Net paid (closed claims) £	Average paid (closed claims) £
2009/2010	442	246	55.7	196	415,154	2,118
2010/2011	221	95	43.0	126	68,414	543

Table 2 demonstrates there are many claims which are repudiated and no payment made. However it must be noted that until all claims made within each policy year are closed, this repudiation rate is not the final picture.

It must be accepted that a minority of claims have significantly higher reserves allocated and payments made which may skew figures for a particular policy year. Tables 3 and 4 show the three largest reserves on open claims and payments made on closed claims.

Table 3: Three largest reserves on open claims

Policy Year	Type of claim	Reserve £	Claim details
2009/2010	Land Charges	100,663	Failure to disclose Right of Way
	Public Liability	55,000	Minor fell from window
	Public Liability	50,000	Fall from stile
2010/2011	Property	79,999	Burst pipe - water damage
	Property	70,000	Burst pipe - water damage
	Public Liability	25,000	Oil on road, vehicle accident

The total of the three largest reserves for claims made in 2009/2010 accounts for 25.1% of the total of all reserves for this policy year. In 2010/2011 the three largest reserves account for 14.1% of the total of all reserves.

Table 4: Three largest payments on closed claims

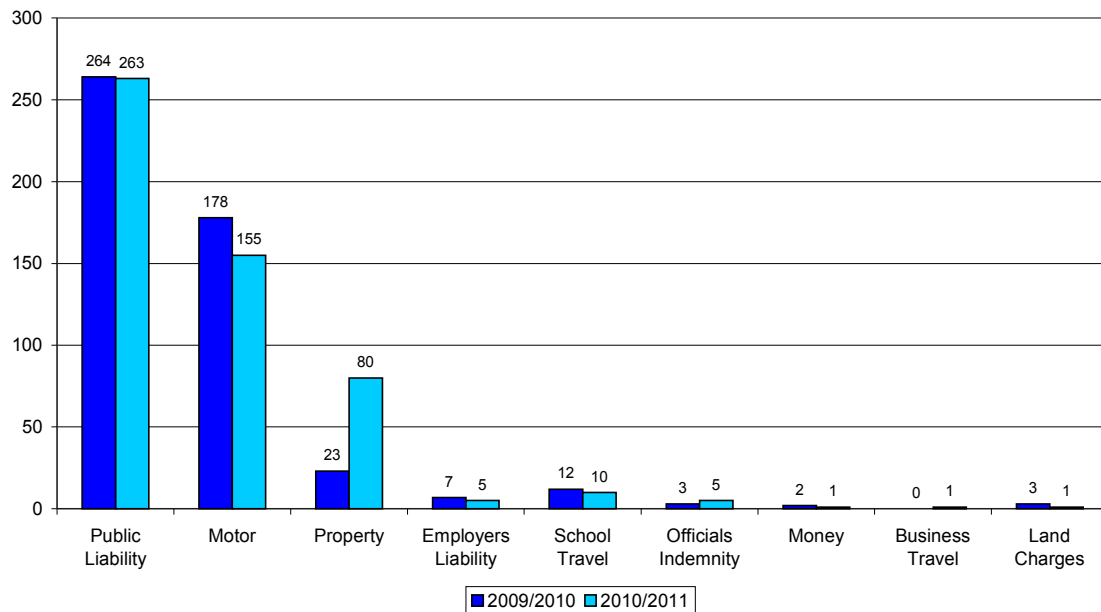
Policy Year	Type of claim	Paid £	Claim details
2009/2010	Property	141,495	Fire damage to school
	Property	30,889	Explosion damage to properties
	Land Charges	17,768	Incorrect information on search
2010/2011	Motor	4,537	Hit Third Party vehicle in rear
	Property	3,373	Water damage to property
	Motor	3,200	Hit Third Party vehicle in rear

The total of the three largest payments for claims made in 2009/2010 accounts for 45.8% of the total of all payments made for this policy year. In 2010/2011 the three largest payments account for 16.2% of the total of all payments.

Chart 2 shows the claims made against the last two policy years by the type of claim, i.e. class of business. It has not come as a surprise to see the large increase in the Property claims considering the extremely cold temperatures this winter. However, it is good to see the number of motor claims has reduced.

Claims by Class of Business

(Chart 2)



Public Liability Claims

Public Liability claims are received from any third party who has suffered an injury or property damage and believe it to be as a result of our negligence. All claims are assessed on the basis of whether we have been legally at fault for the incident.

Often events occur which, whilst they are unfortunate, are not the fault of any party's negligence. For this reason, there is no guarantee that a Claimant entering a Public Liability claim will receive compensation.

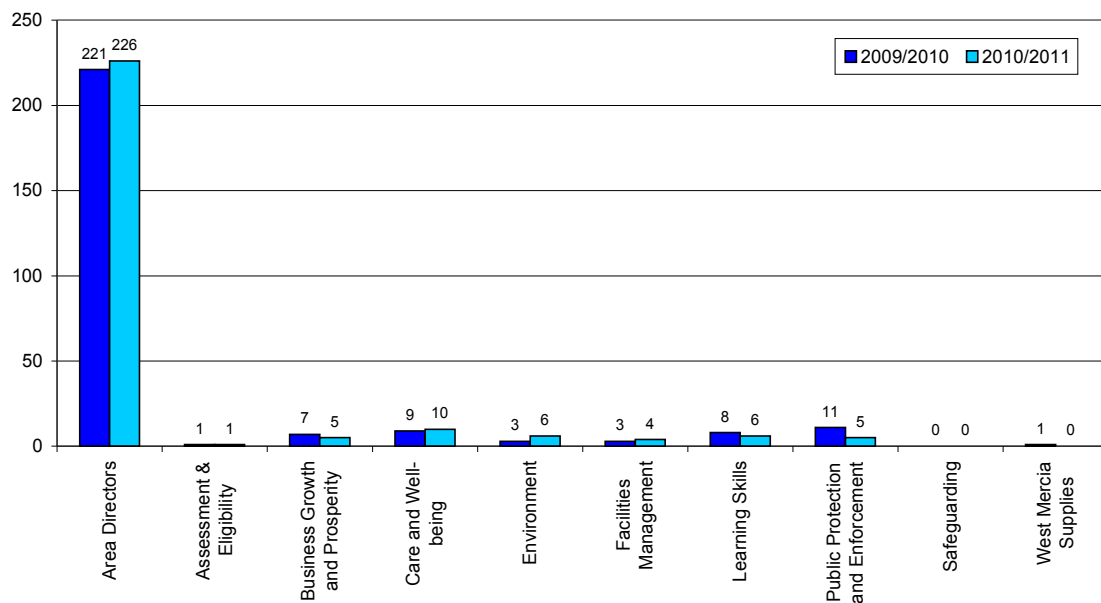
Table 5 shows the number of Public Liability claims made against the last two policy years, the number of claims still ongoing and their reserves.

Table 5: Public Liability open claims overview

Policy Year	Claims received	Open	Reserve £	Average reserve £
2009/2010	264	44	649,407	14,759
2010/2011	263	184	528,882	2,874

Chart 3 shows the number of Public Liability claims made against the last two policy years by the Service Areas which received them. Following the changes to the Council's structure we have allocated the claims for the last two years against the new Service Areas.

Public Liability Claims by Class of Business
(Chart 3)



Of the claims made against each of the last two policy years, 83.7% of those for 2009/2010 were made against Area Directors with an increase to 86.0% of those for 2010/2011.

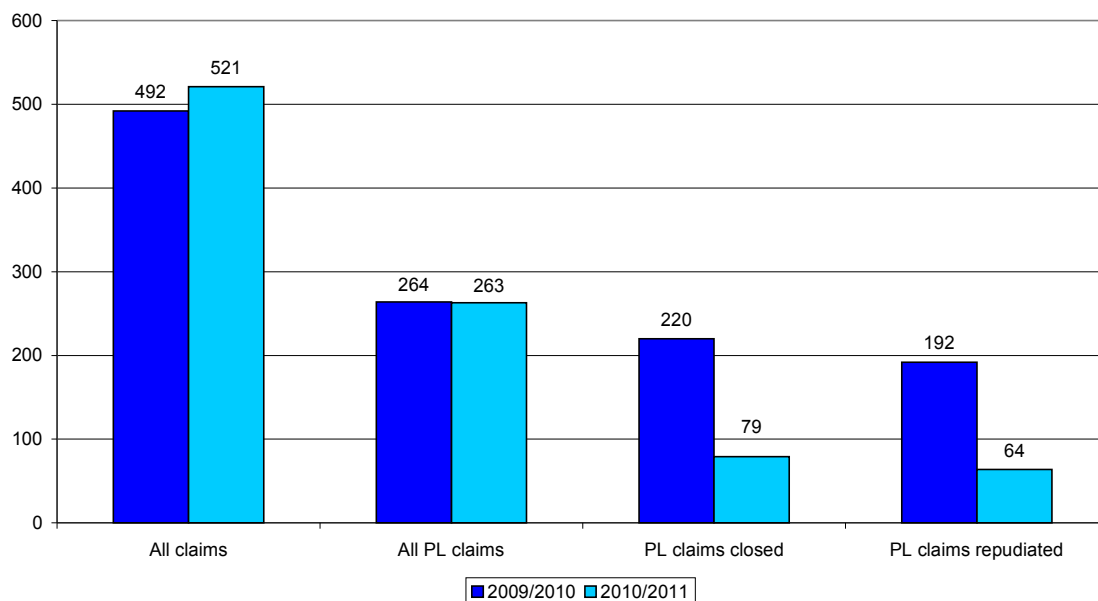
The majority of claims received by Area Directors relate to highway maintenance. In 2009/2010 92.8% of the claims received related to Highways and in 2010/2011 this figure rose to 95.1%.

The large amount of highway related claims is not unexpected. Shropshire has 440 km of principal roads, 4,600 km of lesser category roads and 44 km of dual carriageways. Highways claims also include incidents occurring on footways. As a result of the high number of claims received by the Council's Highways Team a separate report is specifically prepared for this area.

Chart 4 highlights the total of all the claims made against the last two policy years and shows the number that relate to claims under our Public Liability insurance. The chart also shows the number of Public Liability claims closed and those closed and no payment made - this provides our repudiation rate. The high number of claims that are repudiated by Insurers is made possible as a result of the excellent risk management processes which are in place within the authority through robust policies, procedures and recording systems.

Public Liability claims comparison

(Chart 4)



The actual repudiation rate will not be established until all claims made with each policy year are closed. The current repudiation rate for Public Liability claims made against the 2009/2010 policy year is 87.3% and for 2010/2011 it is 81.0%.

It is important to remember that not all claims are settled in the same year they are received. Some claims can be complicated and take several years to process. These claims can be delayed not only by the complexity

of the issues to be investigated, but also if the Claimant has unresolved medical issues which require time to settle.

The average cost of claims for property damage is considerably lower than the average cost for those for personal injury. There are two reasons for this:

1. Settlement for injuries sustained is 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 may be required or, a specialist medical expert may be required to provide the diagnosis. Both of these take time and the latter of these is costly.
2. Most Claimants injured in an incident will employ solicitors to bring their claim against us, thus adding the costs of these solicitors to the claim.

Table 6 details the types of claims made against us, how many have been closed and the average payments made.

Table 6: Public Liability claims closed with payments made

	2009/2010				2010/2011			
	Closed	Closed with payment	Total Paid £	Average Paid £	Closed	Closed with payment	Total Paid £	Average Paid £
Damage/loss of Third Party property only	17	7	5,090	727	8	2	190	95
Defective equipment	5	1	536	536	1	0	-	-
Defective premises	5	3	10,772	3,591	3	0	-	-
Damage to underground cable/service	3	1	1,046	1,046	0	0	-	-
Escape of water	2	0	-	-	1	0	-	-
Grass cutting	7	1	196	196	5	1	166	166
Inadequate supervision	0	0	-	-	3	1	323	323
Loose chippings/debris	16	0	-	-	2	1	504	504
Other	5	2	1,786	893	2	1	2,363	2,363
Signs	2	0	-	-	0	0	-	-
Surface defect - carriageway	125	9	1,833	204	44	7	949	136
Surface defect - footway	19	4	37,540	9,385	7	2	2,585	1,293
Tree roots	0	0	-	-	1	0	-	-
Verge defect	5	0	-	-	0	0	-	-
Winter/ice/snow - carriageway	6	0	-	-	1	0	-	-
Winter/ice/snow - footway	3	0	-	-	1	0	-	-

At the time of this report 299 Public Liability claims, made against the last two policy years, have been closed and only 43 payments made. This means that 256 claims were repudiated by Insurers.

Had we had to pay for those 256 repudiated claims there would potentially have been an additional £540,130 payable from the Insurance Fund. Thus the benefits of good risk management and the hard work undertaken by our employees can be clearly seen.

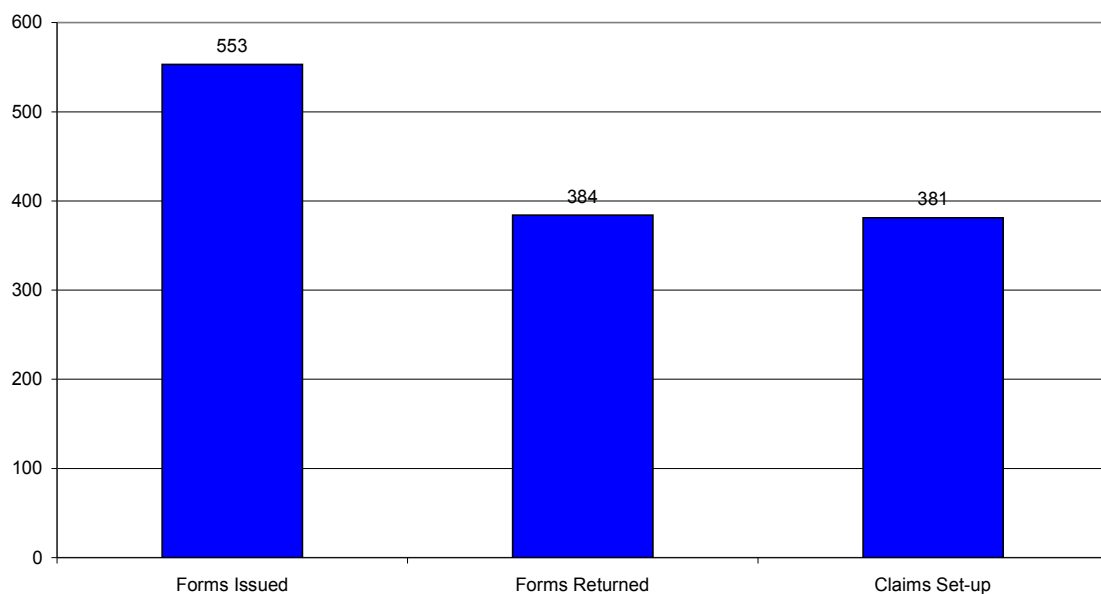
A Claimant may decide to take us to court following the repudiation of their claim. If we are not deemed legally liable then we will defend these claims where practicable to do so.

Claim Forms

In order to obtain full details of an incident and allow a decision to be made on liability we issue Claim Forms for Claimants to complete. For claims relating to the incidents occurring in the last two policy years (2009/2010 and 2010/2011), we have issued 553 forms and have received 384 (69.4%) back. This has resulted in 381 claims being registered with Insurers, being 68.9% of the initial letters of claim received, shown in Chart 5.

Total Claim Forms issues in 2009/2010 and 2010/2011

(Chart 5)



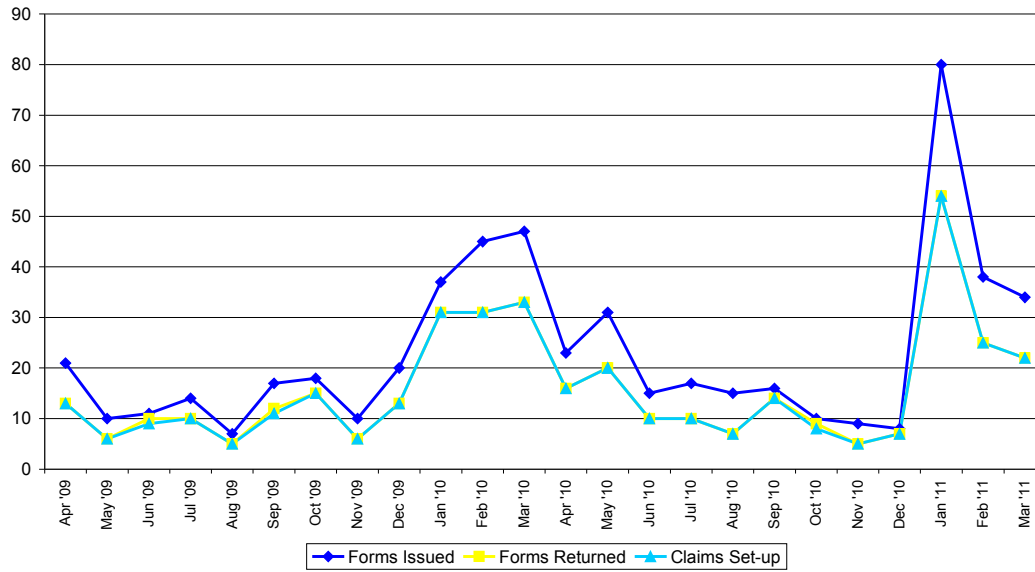
The 172 Claim Forms (31.1%) that were either not returned, or that contained data that enabled us to redirect the claim, have allowed us to make a saving of approximately £34,400 on claims handling fees (based on an average fee of £200 per claim).

Comparing 2009/2010 against 2010/2011 the number of Claim Forms issued rose by 15.2% from 257 to 296. The increase was mainly seen in the month of January, shown in Chart 6, with the number of Claim Forms issued in 2010/2011 being more than double the number issued the previous year (from 37 to 80).

The number of Claim Forms returned rose by 7.6% year on year and the number of claims being registered with Insurers increased by 8.2% from 183 to 198 claims.

Number of Claim Forms Issued by Month

(Chart 6)



Employers Liability Claims

Employers Liability claims are received from employees who sustain an injury during the course of their employment and believe it to be as a result of our negligence as their employer.

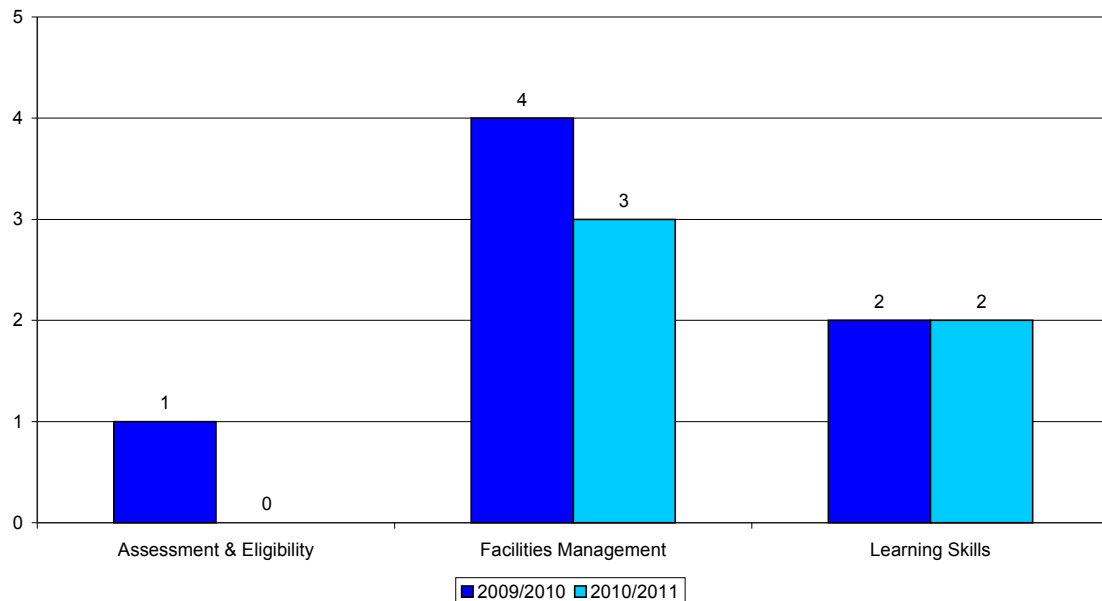
It is more difficult to analyse Employers Liability claims for trends as they are received in smaller numbers. Even though the number of claims received is smaller, the amount paid on these claims is substantially more than, say, Public Liability claims. The higher payout is due to two reasons, one: the Claimant will have a solicitor involved and two: the onus on the employer to have safe work practices in place is very high. The cost of claims currently open can be seen in Table 7.

Table 7: Open Employers Liability claims with reserves

Policy Year	Claims received	Open	Reserve £	Average reserve £
2009/2010	7	2	20,600	10,300
2010/2011	5	5	40,530	8,106

Chart 7 shows the number of Employers Liability claims made against the last two policy years by the Service Areas which received them.

Employers Liability claims by Class of Business
(Chart 7)



Nine of the 12 claims made against the last two policy years occurred at schools.

Table 8 provides details of the types of Employers Liability claims for the last two policy years together with their status and the reserve or net paid.

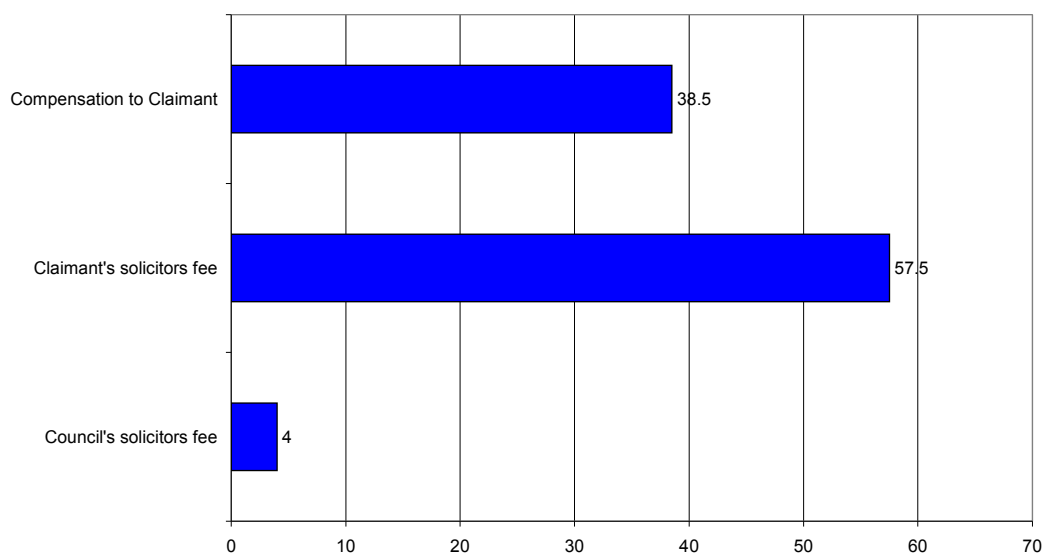
Table 8: Status of Employer Liability claims against last two policy years

	Open	Reserve £	Closed	Net Paid £
Slip/trip	4	34,500	4	11,133
Using machinery	1	8,000	1	5,361
Other	2	18,630	0	0

It is clear to see from Table 8, that the most common claim received is for injuries sustained as a result of slips and trips at work.

The total paid to date on Employers Liability claims made against the last two policy years, 2009/2010 and 2010/2011, is £16,494. The breakdown of who received what percentage of the monies is shown in Chart 8.

Percentage of Employer Liability payments 2009 to 2011
(Chart 8)

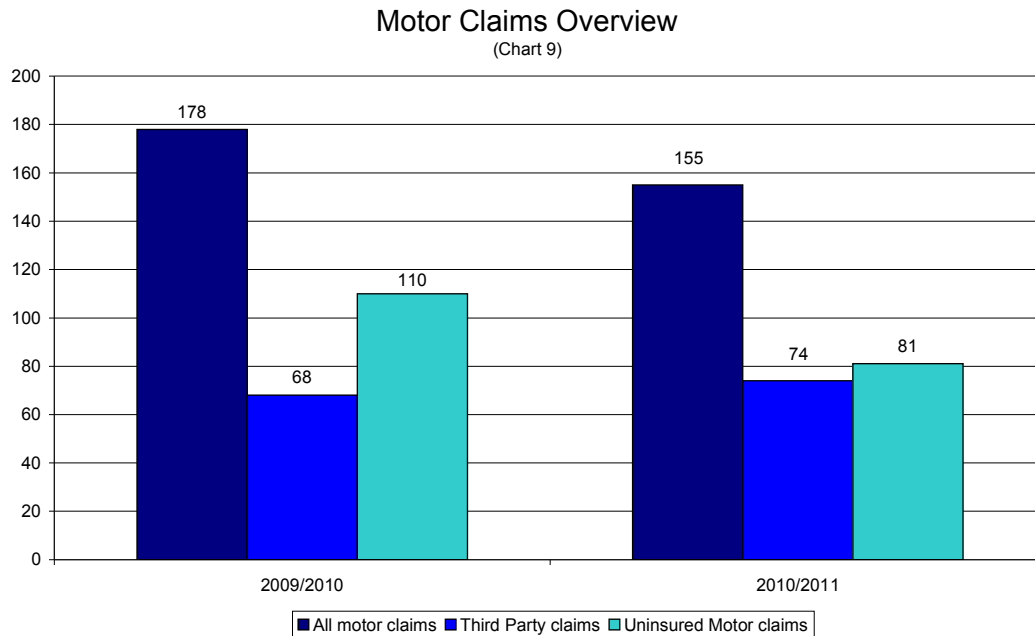


Motor Claims

We have taken the decision to insure our vehicles on a Third Party only basis. This means that our Insurers deal with the costs involved in a claim where a Third Party is involved, but the physical damage to our own vehicle (uninsured motor claims) is funded from an internal Insurance Fund.

By choosing to insure our vehicles in this manner, we have found the most cost effective way of insuring our vehicles to the equivalent of a “fully comprehensive” level.

Chart 9 shows the total number of Motor claims and the split of the total number into Third Party and Uninsured Motor.



It is clear to see the number of Uninsured Motor claims has reduced dramatically and although the number of Third Party claims has increased this is only minor.

Third Party Motor Claims

Third Party motor claims are where a third party (TP) or their property is involved in an incident with one of our vehicles. This could be an incident where we are at fault or where the third party is at fault.

When the incident has been the fault of the third party we will always seek to recover our uninsured losses, i.e. the cost of repairing our own vehicle. We employ a legal expenses company to carry out the recovery for us and also to pursue any claim for personal injury for any of our drivers or passengers injured as a result of the accident. For claims made against the last two policy years (2009/2010 and 2010/2011) we have recovered £6,968 from the Third Party for the cost of damage to our vehicles.

Table 9 clearly demonstrates that three quarters of the claims where a Third Party is involved, is as a result of an error on the part of our drivers.

Table 9: Analysis of fault on Third Party motor claims

Third Party claims	2009/2010			2010/2011		
	No.	% (of £)	Net Paid £	No.	% (of £)	Net Paid £
Are we at fault?						
Yes	44	68.6	73,712	46	72.5	32,991
No	24	31.4	33,673	25	27.1	12,333
Unknown	0	0.0	0	3	0.4	175
Total	68	100	107,385	74	100	45,499

Tables 10a and 10b provides a breakdown of the causes of the Third Party motor claims separating how much we pay to Third Parties from how much we pay for the damage to our own vehicles.

Table 10a: Third Party Motor costs for Third Parties (damage and/or injury)

Third Party costs	2009/2010			2010/2011		
	No.	% (of £)	Net Paid £	No.	% (of £)	Net Paid £
Attempt to avoid collision	5	1.0	572	1	0.0	0
Collision with vehicle in opposite direction	7	3.3	1,970	7	2.3	633
Collision at roundabout	1	0.2	104	2	1.7	456
Debris on carriageway	0	-	-	1	0.0	0
Hit in rear	3	0.0	0	2	0.0	0
Hit parked vehicle	13	15.3	8,999	7	4.5	1,223
Hit Third Party in rear	4	20.4	11,975	4	29.5	7,947
Ice/snow/flood	3	4.2	2,462	6	0.9	247
Insured vehicle reversing	14	42.0	24,692	15	46.3	12,468
Insufficient information	0	-	-	3	0.0	0
Loading/unloading	0	-	-	1	0.0	0
Manoeuvring/misjudgement	5	2.7	1,602	16	14.7	3,970
Object fell from insured vehicle	1	0.0	0	0	-	-
Other	3	10.9	6,434	2	0.0	0
Parked and unattended	3	0.0	0	4	0.0	0
Third Party emerged from parking	5	0.0	0	1	0.0	0
Third Party vehicle reversing	1	0.0	0	2	0.0	0
Total	68	100	58,810	74	100	26,944

Table 10b: Uninsured Motor costs for own damage

Own costs	2009/2010			2010/2011		
	No.	% (of £)	Net Paid £	No.	% (of £)	Net Paid £
Attempt to avoid collision	5	90.2	43,837	1	1.5	270
Collision with vehicle in opposite direction	7	2.4	1,142	7	13.7	2,547
Collision at roundabout	1	0.0	0	2	0.9	175
Debris on carriageway	0	-	-	1	30.6	5,676
Hit in rear	3	0.0	0	2	0.0	0
Hit parked vehicle	13	1.7	836	7	2.4	438
Hit Third Party in rear	4	1.6	797	4	14.0	2,603
Ice/snow/flood	3	0.1	41	6	29.3	5,436
Insured vehicle reversing	14	2.2	1,084	15	4.3	791
Insufficient information	0	-	-	3	0.0	0
Loading/unloading	0	-	-	1	0.0	0
Manoeuvring/misjudgement	5	1.7	841	16	3.3	620
Object fell from insured vehicle	1	0.0	0	0	-	-
Other	3	0.0	0	2	0.0	0
Parked and unattended	3	0.0	0	4	0.0	0
Third Party emerged from parking	5	0.0	0	1	0.0	0
Third Party vehicle reversing	1	0.0	0	2	0.0	0
Total	68	100	48,578	74	100	18,556

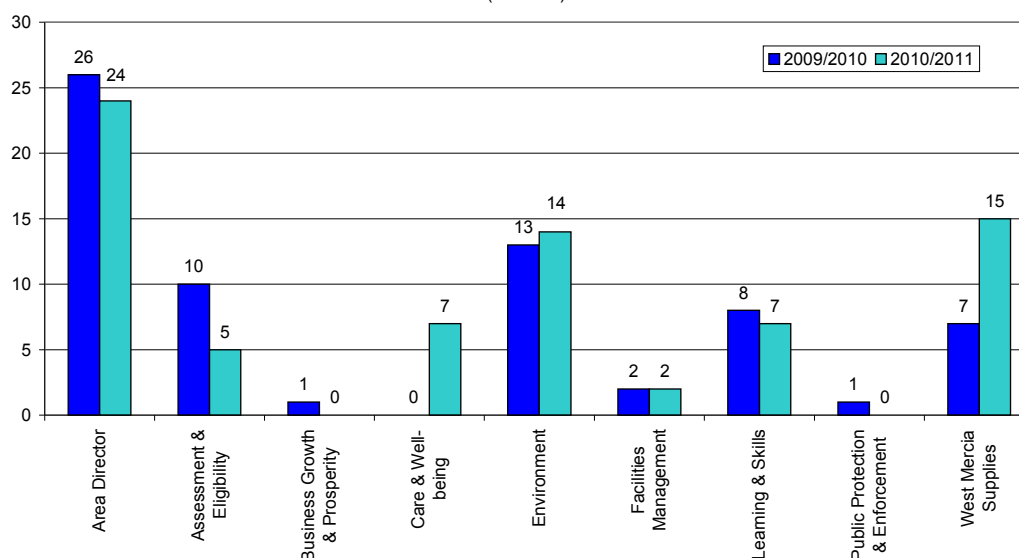
The number of claims caused by our vehicle reversing is almost the same as the previous policy year. What is troubling is the sharp increase in the number of incidents caused by our drivers' manoeuvring or misjudgement.

It is important to take into account any open claims. For 2009/2010 there is one open claim with a reserve of £5,040. For 2010/2011 there are 27 open claims with a total reserve of £71,471. Included in the latter figure is one claim for £16,500 where our driver opened the door and a Third Party drove into it, and another claim for £13,660 where our vehicle overturned after skidding on diesel.

Chart 10 shows the number of Third Party motor claims received by each of the Service Areas.

Third Party Motor Claims by Service Area

(Chart 10)



Consistently over the past two policy years, the majority of Third Party motor claims fall within the Area Directors' responsibility. It is good to see that the number of claims received by Assessment & Eligibility have reduced although it is also noted that the number of claims for West Mercia Supplies has doubled.

A separate report is prepared for West Mercia Supplies which drills down into more detail.

Own Damage Motor Claims

Own Damage claims are when no third party (vehicle or property) is involved, or the third party cannot be traced, for example where our vehicle is hit by an unknown third party whilst parked and unattended.

Table 11 shows the number of incidents where we are at fault for an incident has fallen for those claims made in the 2010/2011 policy year when compared with the previous year.

Table 11: Analysis of fault on Own Damage motor claims

Own Damage	2009/2010			2010/2011		
	No.	% (of £)	Net Paid £	No.	% (of £)	Net Paid £
Are we at fault?						
Yes	64	72.3	30,632	37	61.2	13,682
No	44	22.1	9,361	41	36.2	8,090
Unknown	2	5.6	2,374	3	2.7	592
Total	110	100	42,367	81	100	22,364

Table 12 provides a breakdown of the causes of incidents where we have damaged our own vehicles and no Third Party is involved.

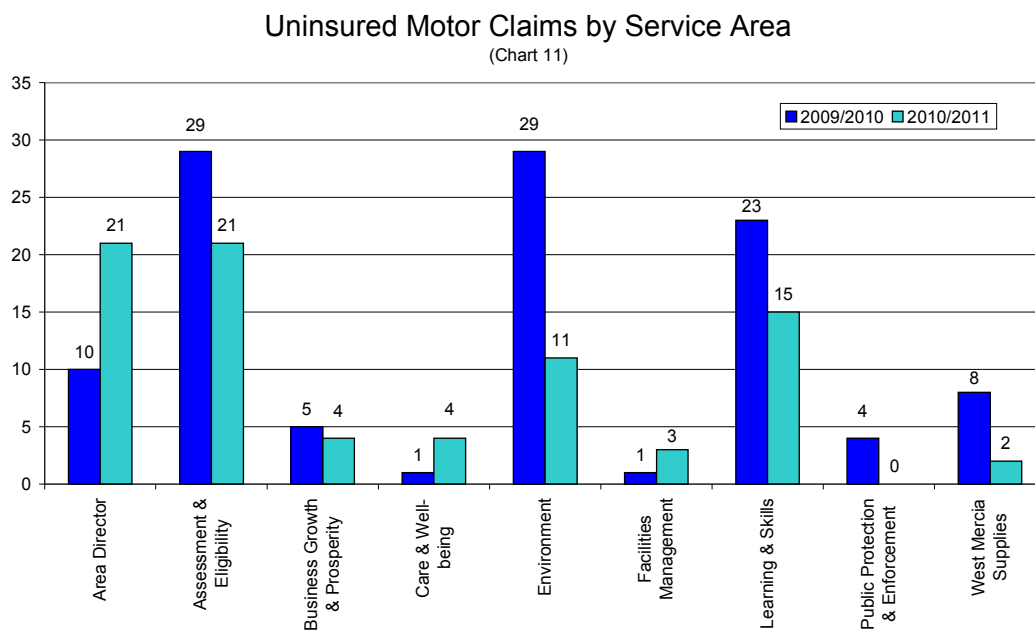
Table 12: Own Damage costs

Own Damage costs	2009/2010			2010/2011		
	No.	% (of £)	Net Paid £	No.	% (of £)	Net Paid £
Attempt to avoid collision	6	17.0	7,219	4	1.8	409
Collision with vehicle in opposite direction	2	0.6	264	2	0.3	66
Collision with pedestrian/animal	0	-	-	4	3.6	816
Debris on carriageway	4	3.0	1,262	2	2.6	582
Hit parked vehicle	2	0.9	379	0	-	-
Ice/snow/flood	4	5.9	2,499	2	2.5	548
Insured vehicle reversing	24	20.8	8,803	9	11.3	2,536
Manoeuvring/misjudgement	27	23.8	10,088	23	48.1	10,756
Object fell from insured vehicle	0	-	-	1	0.0	0
Other	3	14.2	6,029	4	1.8	404
Parked and unattended	19	7.8	3,303	17	9.5	2,125
Theft from vehicle	7	1.1	455	0	-	-
Vandalism	5	1.6	681	1	2.9	653
Windscreen	7	3.3	1,383	12	15.5	3,470
Total	110	100	42,365	81	100	22,365

It is pleasing to see a large decrease in the number of claims where our driver is reversing as well as a small decrease in the number of claims from manoeuvring/misjudgement incidents. There has been a small increase in the number of incidents where damage to windscreens occurred.

As previously mentioned, it is important to take into account the claims still open. For 2010/2011 there are 15 claims still open. These claims have a total reserve of £5,318.

Chart 11 shows the number of Third Party motor claims received by each of the Service Areas. It is pleasing to see that within most areas the numbers of Own Damage claims has reduced. However, there has been a large increase in the number of claims for the Area Directors.



Property Claims

Our Property policy covers buildings, contents and stock in any building or held by us in trust for which we are responsible. This also includes contents or stock which is temporarily removed from the building. The perils which are covered are as follows:

- Fire
- Lightning
- Explosion
- Aircraft
- Riot and Civil Commotion
- Earthquake
- Storm or Flood
- Escape of Water
- Malicious Damage/Vandalism (except Schools)

There are certain perils which are not covered:

- Theft
- Malicious Damage/Vandalism (Schools only)
- Accidental Damage

Chart 12 shows the number of claims against the last two policy years. Clearly the very cold winter we had in December 2010/January 2011 has influenced the number of claims made.

Property claims by cause

(Chart 12)

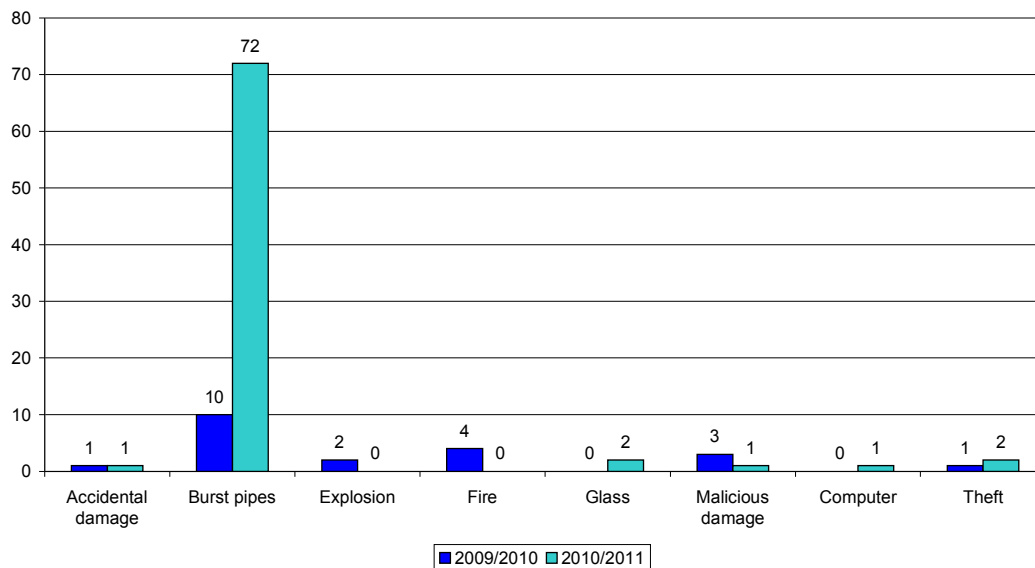


Table 13 shows the number of claims made in the last two policy years that are currently open, the burst pipe claims are clearly the majority of these with an average reserve of £8,263 per claim.

Table 13: Property claims open for 2009/2010 and 2010/2011

	2009/2010		2010/2011	
	Open	Net paid £	Open	Net paid £
Accidental damage	0	-	0	£0
Burst pipes	0	-	62	£512,276
Glass	0	-	0	£0
Malicious damage	0	-	0	£0
Other causes	0	-	1	£1,000
Theft	0	-	0	£0
Total	0	£0	63	£513,276

Table 14 provides information on closed claims in the last two policy years. As at 9 May 2011 ten burst pipe claims have been closed.

In 2009/2010 there were two large claims. One claim for property damaged as a result of an explosion which cost £30,889 and one for property damaged at a school as a result of a fire which cost £141,485.

Table 14: Property claims closed for 2009/2010 and 2010/2011

	2009/2010		2010/2011	
	Closed	Reserve £	Closed	Reserve £
Accidental damage	1	£0	1	£296
Burst pipes	10	£6,685	10	£6,042
Explosion	2	£36,397	0	-
Fire	4	£147,677	0	-
Glass	0	-	2	£458
Malicious damage	3	£1,071	1	£425
Other causes	2	£904	0	£0
Theft	1	£6,539	2	£0
Total	23	£199,273	16	£7,221

Our Property policy has a £100,000 excess and therefore claim payments below this amount are paid from the internal Insurance Fund.

With Public Liability and Employer Liability claims the Authority has no control over when the claims are received from a third party. Although there are legal timescales set, a person still has three years or more in which to submit their claim. This makes it difficult to calculate potential claims to ensure there are sufficient monies in the Insurance Fund to pay for those claims under the excess.

For Motor and Property claims we have a little more control and it is therefore important to know as much as possible about these claims as soon as incidents occur.

Schools' Travel Scheme Claims

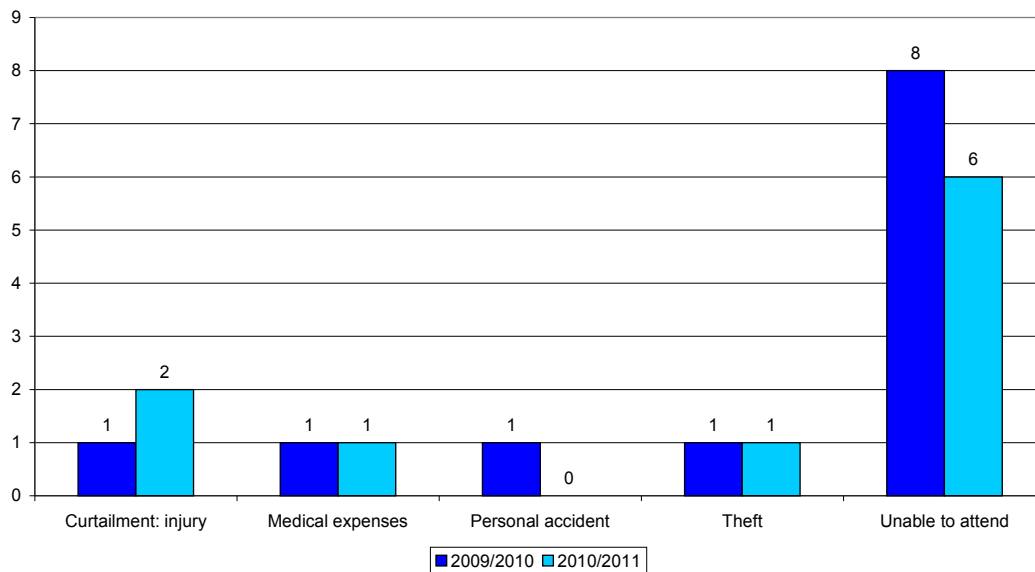
This scheme was introduced in 2005/2006 and runs on an annual basis from October each year. It is not compulsory for schools to join this scheme, but the cover and costs quoted by our Insurers are very attractive compared to other schemes. Currently 96% of all Shropshire Council's schools are included in the scheme.

In total, 22 claims have been made against the last two policy years and three of these are still ongoing. Of the 19 which have been closed, all have been met by Insurers for a total of £5,283, which is an average of £278 per claim.

Chart 13 shows the different types of claims made under this policy. The majority of claims made during the last two policy years are pupils/staff cancelling their trip as they are unable to attend, usually due to medical reasons.

Schools' Travel Scheme Claims by Type

(Chart 13)



Other Claims

There are other policies that the Insurance team can provide although the number of claims received against these policies is much smaller. This section will provide a brief breakdown of claims made under other policies during the last two policy years.

Land Charges Claims

Four Land Charges claims have been made against the 2009/2010 and 2010/2011 policies which were all as a result of errors or omissions in Land Charges searches. Of these claims two are closed with a net paid of £18,608 and two are still open with a reserve of £110,663. There is no excess applicable to Land Charges claims.

Money Claims

Three Money claims have been made against the 2009/2010 and 2010/2011 policies which were all as a result of theft. All three claims are closed with a total net payment of £1,426.

Officials Indemnity Claims

Eight Officials Indemnity claims have been made against the last two policy years, three claims in 2009/2010 and five claims in 2010/2011. Of the eight claims, four have been closed with a total net paid of £2,220 and the remaining four open claims have a total reserve of £42,639. There is no excess applicable to Officials Indemnity claims.

Two claims were repudiated, therefore saving us a potential £21,000.

Business Travel Claims

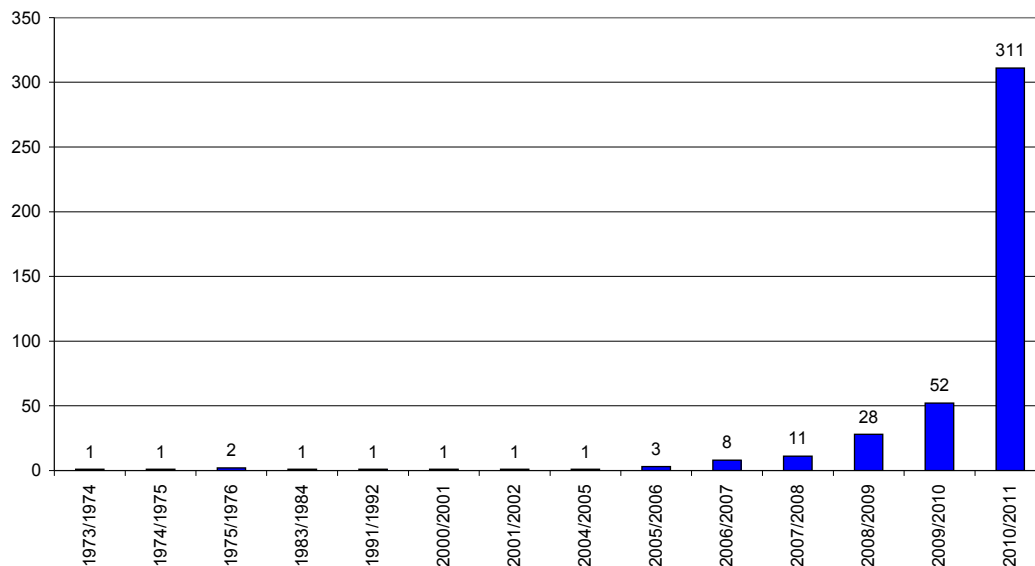
There was one claim for property damaged on a business trip, the claim was closed with a nil net payment as it was not pursued by the Team involved.

Long Tail Claims

This report provides data on the claims made against the last two policy years. As it has been previously noted in this report, some claims carry on for many years due to their complex nature. Also, some claims can be made many years after the incident if the Claimant can prove that they have only recently been alerted to the fact their injuries were as a result of an incident many years previously.

As at 7 April 2011 the Risk Management Team had 422 open insurance claims. Chart 14 details which policy years these claims were made against.

Number of claims against each policy year
(Chart 14)

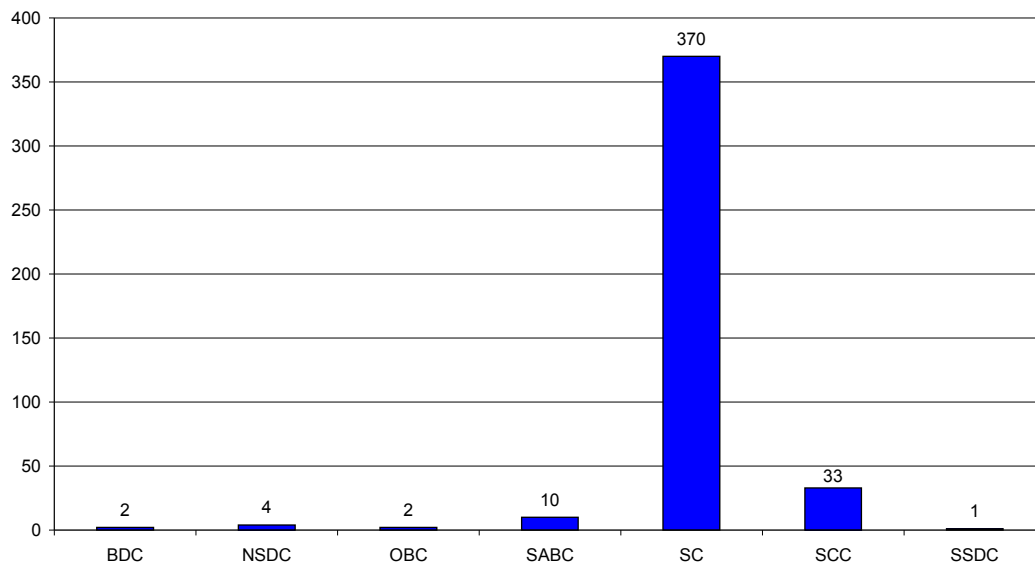


As previously mentioned, claims for the later policy years, i.e. 1973/1974 etc., have not necessarily been ongoing since that date. It may be that the Claimant realised more recently that an injury/disease they have sustained is as a result of an incident occurring during a much earlier period. These claims could be, for example, industrial disease or abuse.

The older claims are of course the responsibility of the Insurers of the specific local authority at that time. It is possible to show the number of claims open by the authority responsible for the claim, Chart 15.

Open claims by responsible authority

(Chart 15)



As expected, Shropshire Council, as the newly formed responsible local authority, has the lion's share of the open claims. Only 12.3% of all open claims are the responsibility of the old authorities:

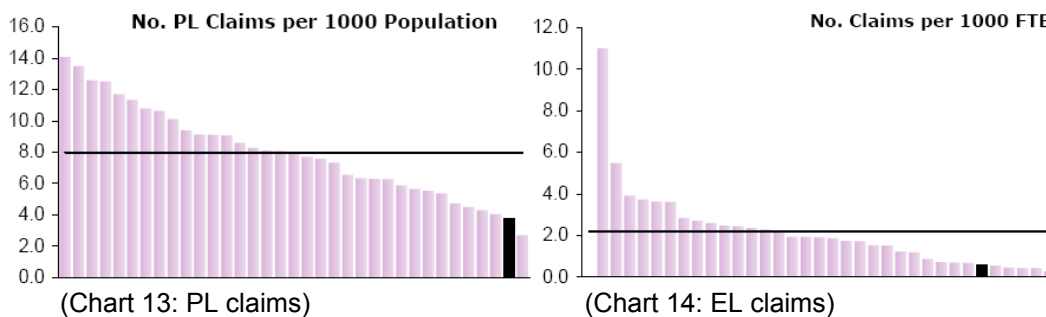
- Bridgnorth District Council (BDC)
- North Shropshire District Council (NSDC)
- Oswestry Borough Council (OBC)
- Shrewsbury & Atcham Borough Council (SABC)
- Shropshire Council (SC)
- Shropshire County Council (SCC)
- South Shropshire District Council (SSDC)

Benchmarking

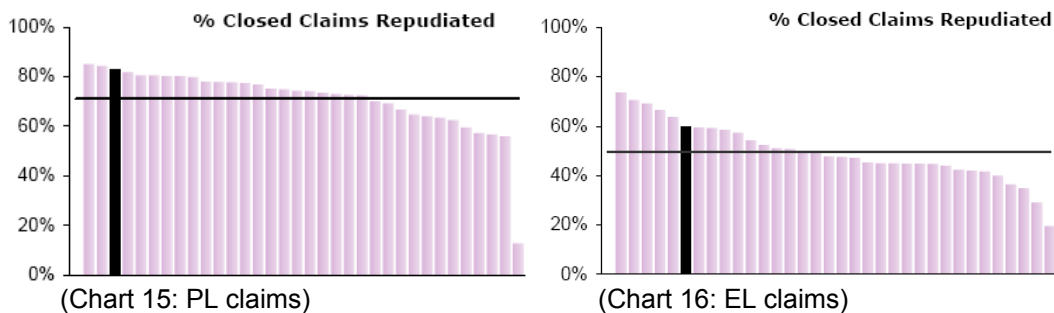
Each year Shropshire Council provides data to CIPFA to be compared with other authorities' data nationally. In 2010 the number of authorities carrying out this comparison was 66 which reduced to 35 for 2011. Data provided to CIPFA is for claims made against the last five policy years.

Following the results of the 2011 survey the following points were noted:

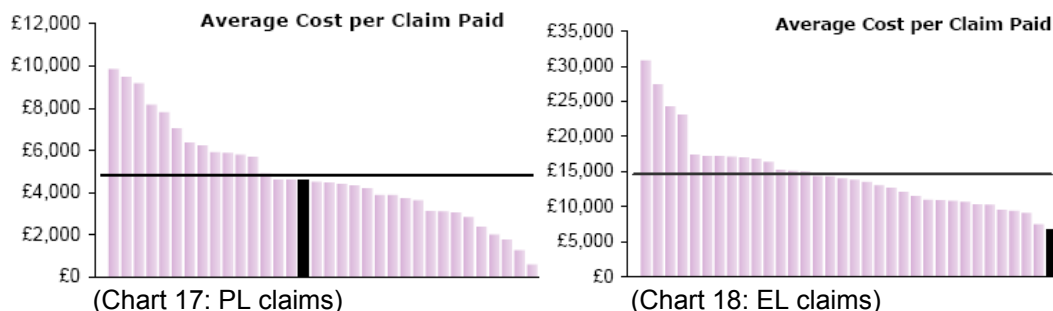
The number of Public and Employers Liability claims received by Shropshire Council is one of the lowest of all the comparative authorities (Chart 13 and 14).



The number of claims repudiated for Public and Employers Liability claims is above average (Charts 15 and 16).

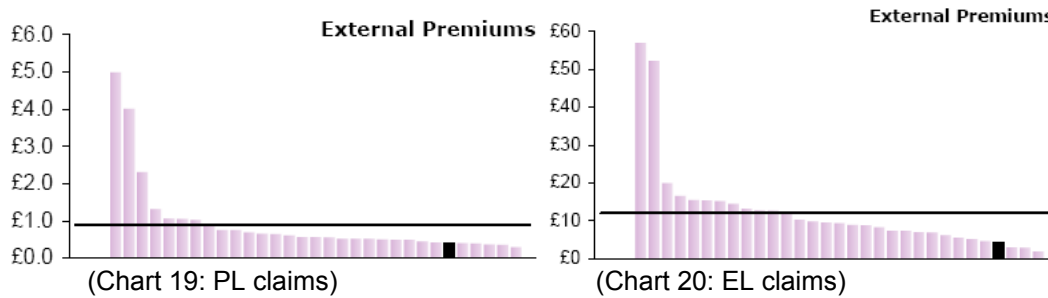


The average cost per claim for Public Liability claims is just lower than average (Chart 17). The average cost per claim for Employer Liability claims is the lowest of the comparative authorities (Chart 18).



Investigating possible reasons for the outcome for Chart 17 (the average cost per Public Liability claim) it must be noted that there were six large claims (payments in excess of £25,000) paid out over the five policy years. Unfortunately it is impossible to provide further comparative data on this area as we do not know what the other authorities' payments were like. All we can do is continue with the good work we do to improve our repudiation rate further and try to ensure payments to Claimants are equitable.

As Shropshire Council has a good claims history for Public and Employers Liability claims it has meant that premiums for insurance cover are much lower than for other authorities (Charts 19 and 20).



Risk Reviews

Risk Reviews are undertaken in chosen service areas to review the adequacy of procedures. The Reviews provide a detailed survey assessment providing recommendations and action plans for risk improvement.

Below is a list of those reviews undertaken during 2010/2011 together with a short summary of the reviews' results:

Control of Legionella Risk Management Review

This Survey was carried out on 23 September 2010 and we achieved an overall score of 96%. The review found that:

- Shropshire Council has developed a sound risk management system for the control of Legionella.

Physical Assets Risk Management Review

This survey was completed in November 2010 and an overall score of 86% was achieved. It was found that:

- Shropshire Council has excellent strategic risk management systems in place to manage the risks.
- Some information relating to property is yet to be updated following unitary reorganisation, such as valuations for insurance purposes. It was suggested that this be done at least every five years.

Highways Risk Management Review

This Review was carried out on 11 January 2011 and we achieved an overall score of 100%. It was found that:

- Shropshire Council achieves high standards in complying with the Code of Practice and associated guidance in all areas, and a risk management culture is promoted within the Council.
- The overall score of 100% achieved is a clear indicator as to why we are able to repudiate such a high number of claims.

Fleet and Driver Risk Management Review

This Review was carried out in February 2011 and we achieved an overall score of 93%. It was found that:

- Shropshire Council is managing policy, responsibility & promoting a risk management culture effectively and to recommended standards.
- The management of vehicles and vehicle users was considered to be of a high level although it was noted that improvements could be made, especially in grey fleet areas. It was suggested that written procedures should be put into place to monitor employees' driving licences and MOT certificates.
- All the significant risks associated with work-related driving have been assessed in writing and the results communicated to vehicle users appropriate to their job task and the vehicles.
- Shropshire Council achieved a high standard of compliance with incident and claims management.
- It was suggested that the cost of vehicle downtime should also be included when analysing claims data.