



Annual Insurance Report
2011/2012

Contents

Introduction	4
Contact Details	4
Summary	5
Overview	7
Public Liability Claims	10
Employer Liability Claims	13
Motor Claims	15
Third Party Motor	16
Uninsured Motor	20
Property Claims	21
Schools Travel Scheme Claims	23
Other Claims	24
Land Charges	24
Money	24
Officials Indemnity	24
Business Travel	24
Benchmarking	25
Training	27
Audit	27

Introduction

This report is based on claims data extracted from QLAS, the claims database used by the Risk Management Team and provides 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

1 April 2011 to 31 March 2012

The data was collated on 3 April 2012 and provides a snapshot of the claims position at this date.

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.

Important Note: For the purposes of this report we have counted every claim against the individual properties to show a true account of the number of claims the Risk Management Team dealt with and the costs paid across each service area for these claims.

Contact Details

For more information about any part of this report, or any other risk management or insurance query, please contact any member of the Risk Management Team:

Angela Beechey Risk Management Team Leader

Sara Done Insurance Officer
Samantha Fraser Senior Insurance Assistant
Tracy Read Insurance Assistant

Jane Cooper Risk Management Officer
Lynne E Hall Risk Management & Insurance Administrator

Tim Mason Statutory Compliance (Fire Safety) Officer

Email address insurance@shropshire.gov.uk

Website address <http://notes2intranet/insurance.nsf>

Summary

It is pleasing to note there has been a decrease of 242 claims made against the 2011/2012 policy year compared with the previous policy year. Although this seems a notable number this is because the 2010/2011 policy year was incredible busy with a large number of burst pipe claims to contend with. However it is interesting to note that the number of Public Liability claims has reduced by 134 compared to the previous year.

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

The policy year has again seen a high repudiation rate on our Public Liability claims and once more 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 they are 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 Public Liability highways claims had to be paid, saving a total of £918,551 over the last three policy years. This figure when applied to all Public Liability claims across all service areas increases to £1,239,434.

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

The Insurance Team have recently introduced a new claims handling system which replaces a very old, basic database. The new database will assist the team improve the quality and quantity of claims data stored and also allow the service to move closer to a paperless office with the majority of 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 penultimate year of a long term agreement. Each year a comprehensive renewal procedure is completed to ensure accurate details of our portfolio are held by insurers.

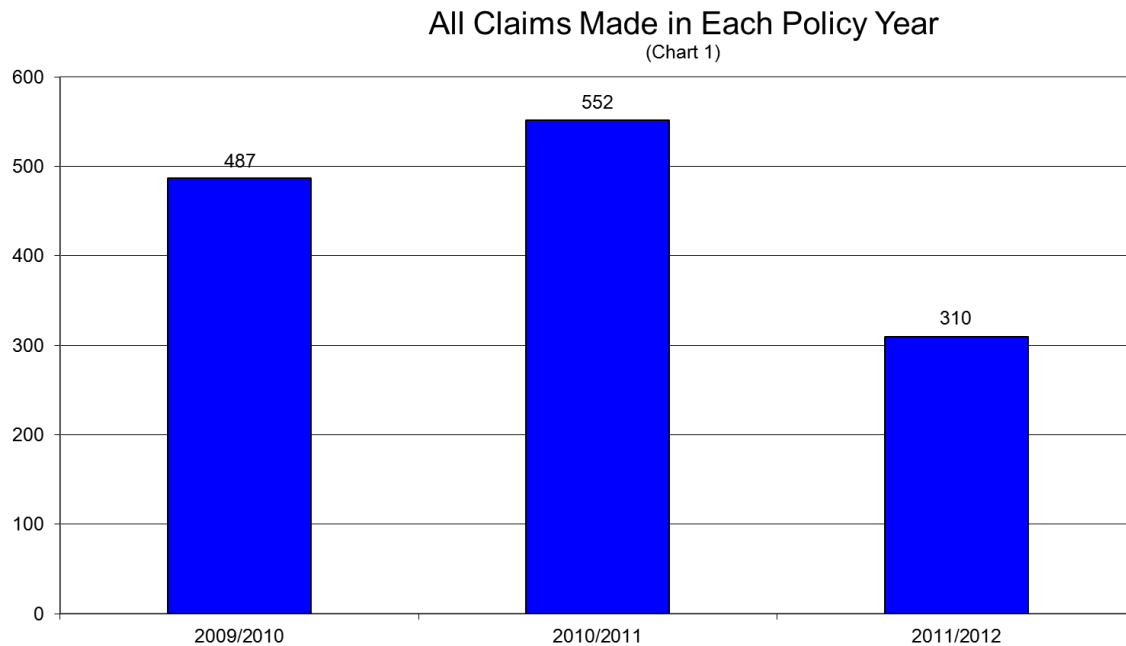
On receipt of a claim our Insurers will allocate the incident a “reserve”. This is an amount which Insurers consider reflects the potential cost of a claim including such things as the cost of damage/injury, solicitor’s fees, medical fees, loss of earnings etc. The reserve will be reviewed throughout 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

In this report we look at claims made against a policy year rather than claims received in a policy year as this makes any patterns appearing from year to year easier to identify, i.e. increase in pothole claims in a particular policy year.



The above chart clearly shows that the number of claims being made against the authority has decreased 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 3 April 2012 and the total of their reserves.

Table 1: Open claims with reserves

Policy Year	Open	Reserve £	Average reserve £
2009/2010	20	372,515	18,626
2010/2011	56	414,825	7,408
2011/2012	169	609,655	3,607

Viewing Table 1 and Chart 1 together we can see that of the 487 claims made against policy year 2009/2010 there are 20 claims still open. It is important to note 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	467	270	57.8	197	557,456	2,830
2010/2011	496	271	54.6	225	401,385	1,784
2011/2012	141	65	46.1	76	70,160	923

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	Land Charges - Right of Way
	Public Liability	60,002	Unlawful Detention
	Public Liability	50,000	Defect on carriageway
2010/2011	Public Liability	33,750	Defect on footway
	Motor	30,919	Third Party drove into our vehicle
	Public Liability	24,500	Defect on car park
2011/2012	Employers Liability	31,050	Unsafe work system
	Public Liability	26,850	Defect on carriageway
	Public Liability	25,200	Defective premises condition

The total of the three largest reserves for claims made in 2009/2010 accounts for 55.6% of the total of all reserves still outstanding for this policy year. In 2010/2011 the three largest reserves account for 21.5% of the total of all outstanding reserves and in 2011/2012 the three largest reserves account for 13.6% of all outstanding reserves.

Table 4: Three largest payments on closed claims

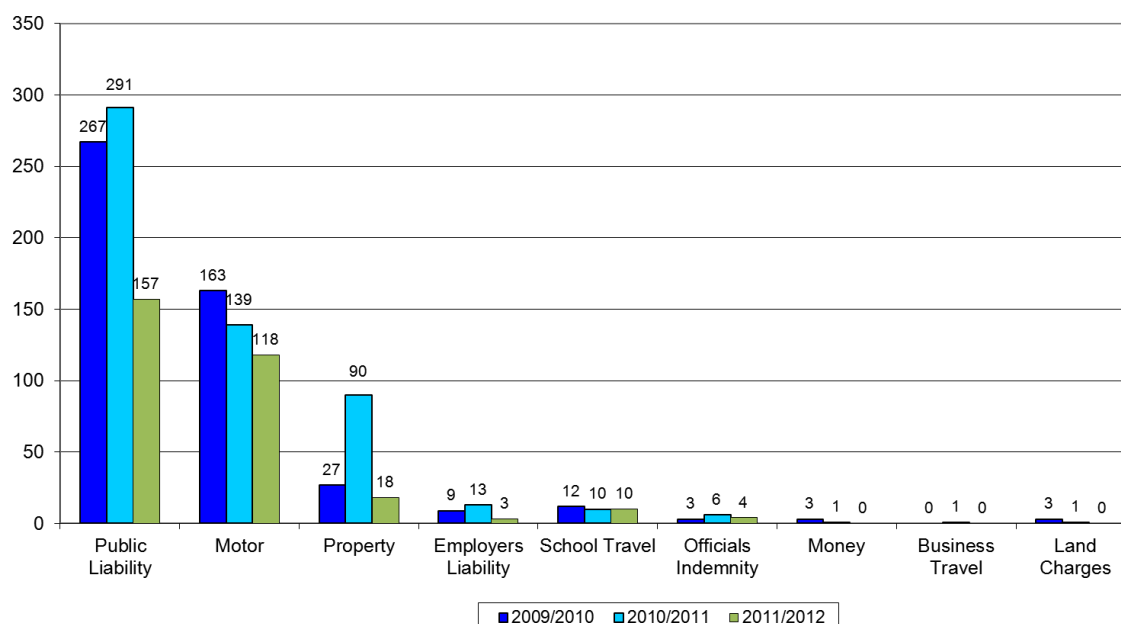
Policy Year	Type of claim	Paid £	Claim details
2009/2010	Motor	17,316	Our vehicle reversing
	Public Liability	30,889	Defect on footway
	Motor	17,768	Attempt to avoid collision
2010/2011	Property	35,010	Burst pipes
	Property	32,036	Burst pipes
	Property	24,433	Burst pipes
2011/2012	Motor	12,189	Turning from major road
	Public Liability	7,350	Defect on carriageway
	Motor	4,810	Attempt to avoid collision

The total of the three largest payments for claims made in 2009/2010 accounts for 11.8% of the total of all payments made for this policy year. In 2010/2011 the three largest payments account for 22.8% of the total of all payments and in 2011/2012 the three largest payments account for 34.7% of the total of all payments.

Chart 2 shows the claims made against the last three policy years by the type of claim, i.e. class of business. The large increase in Property claims in 2010/2011 was due to the extremely cold temperatures during this winter.

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 three policy years, the number of claims still ongoing and their reserves.

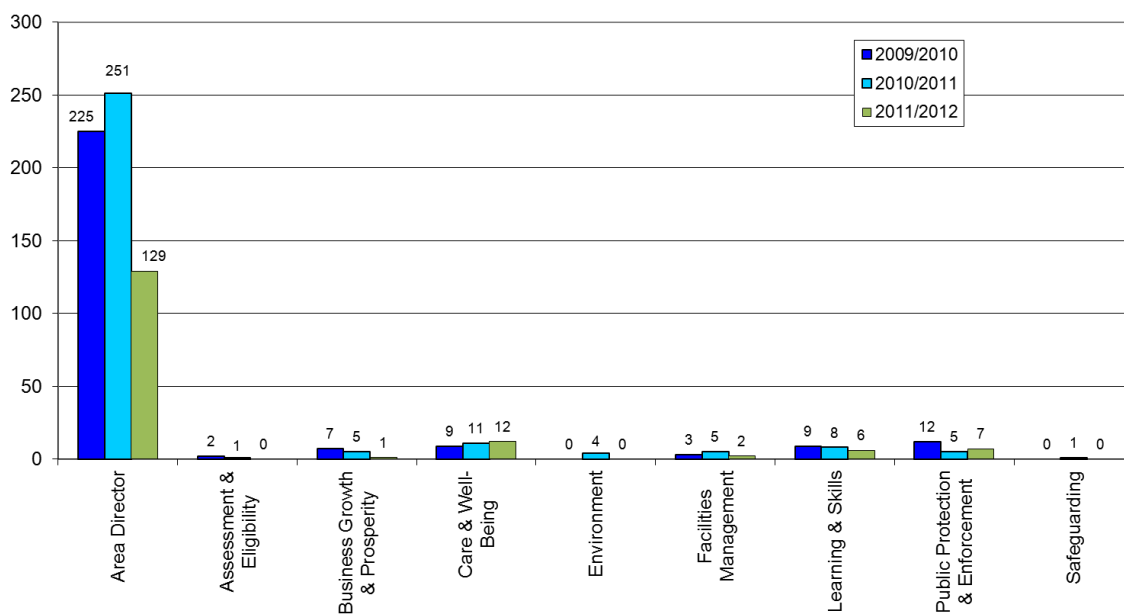
Table 5: Public Liability open claims overview

Policy Year	Claims received	Open	Reserve £	Average reserve £
2009/2010	267	16	271,566	16,973
2010/2011	291	40	286,314	7,158
2011/2012	157	113	472,732	4,183

Chart 3 shows the number of Public Liability claims made against the last three policy years by the Service Areas which received them.

Public Liability Claims by Service Area

(Chart 3)



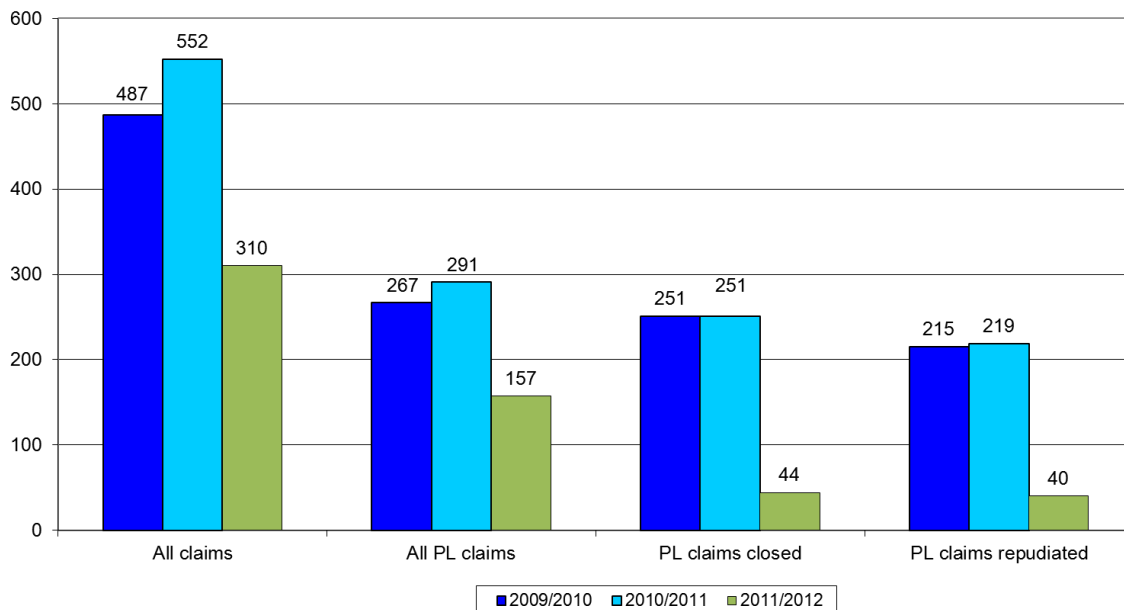
The majority of claims received by Area Directors relate to highway maintenance.

2009/2010 = 92.0%
2010/2011 = 94.0%
2011/2012 = 94.6%.

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. In addition, 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. This allows the divisions to analyse their claims history in detail.

Chart 4 highlights the total of all the claims made against the last three policy years, the number of them that relate to Public Liability claims, the number of Public Liability claims closed and those closed with no payment being made - this provides our repudiation rate.

Public Liability claims comparison
(Chart 4)



The actual repudiation rate will not be known until all claims made within a particular policy year are closed. The current repudiation rate for Public Liability claims are as follows:-

2009/2010 = 85.7%
2010/2011 = 87.3%
2011/2012 = 90.9%

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 for personal injury claims is also higher than property damage claims.

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

Table 6: Public Liability claims closed with payments made

	2010/2011				2011/2012			
	Closed	Closed with payment	Total Paid £	Average Paid £	Closed	Closed with payment	Total Paid £	Average Paid £
Debris/object on carriageway	2	0	-	-	6	0	-	-
Defective equipment	5	2	3,149	1,575	0	0	-	-
Defective premises	7	1	443	443	2	1	300	300
Damage to underground cable/service	1	0	-	-	0	0	-	-
Escape of water	3	0	-	-	0	0	-	-
Grass cutting	5	1	166	166	0	0	-	-
Inadequate supervision	4	1	323	323	0	0	-	-
Loose chippings/debris	5	1	504	504	0	0	-	-
Other	23	5	2,995	599	1	0	-	-
Pothole	139	9	1,465	163	15	2	738	369
Signs	1	0	-	-	1	0	-	-
Surface defect - carriageway	13	4	12,729	3,182	8	1	7,350	7,350
Surface defect - footway	29	7	23,133	3,305	10	0	-	-
Tree roots	3	1	677	677	1	0	-	-
Verge defect	1	0	-	-	0	0	-	-
Winter/ice/snow - carriageway	7	0	-	-	0	0	-	-
Winter/ice/snow - footway	3	0	-	-	0	0	-	-
TOTAL	251	32	45,584	1,425	44	4	8,388	2,097

At the time of this report 546 of the Public Liability claims made against the last three policy years, have been closed and only 72 payments made. This means that 474 claims were repudiated by Insurers.

If we had settled those 474 repudiated claims there would potentially have been an additional £1,239,434 paid from the Insurance Fund. Thus the financial 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 satisfied that we are not legally liable then we will defend these claims wherever possible.

Employer Liability Claims

Employer 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.

Even through the number of claims received is smaller, the amount paid on these claims is substantially more than 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 value of those claims currently open can be seen in Table 7.

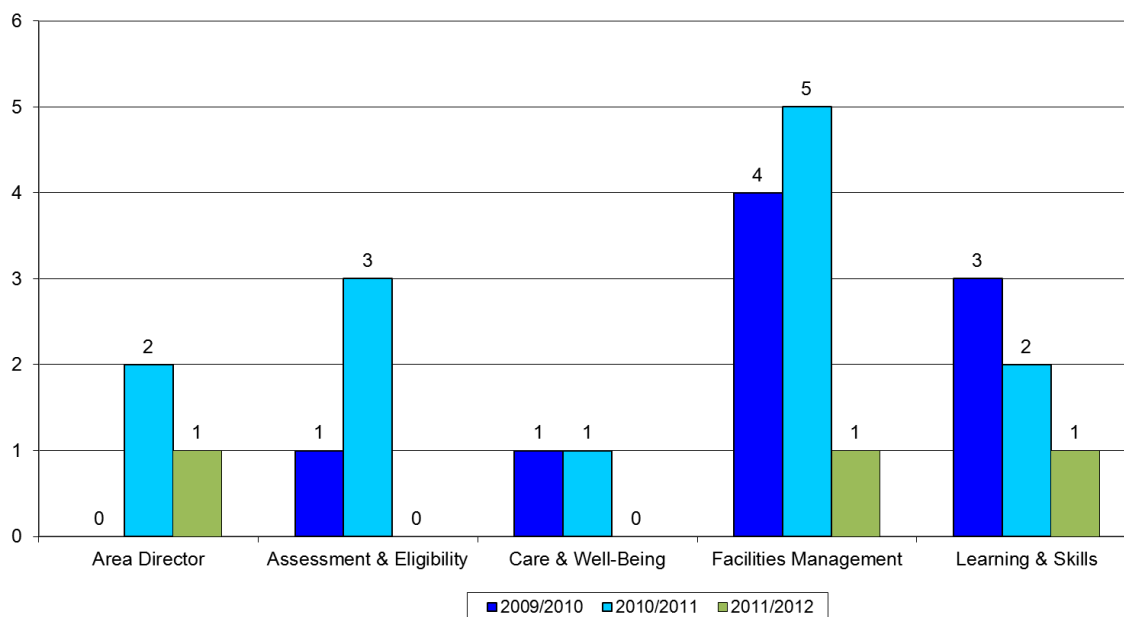
Table 7: Open Employers Liability claims with reserves

Policy Year	Claims received	Open	Reserve £	Average reserve £
2009/2010	9	3	30,570	10,190
2010/2011	13	7	66,295	9,471
2011/2012	3	3	53,250	17,750

Chart 5 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 Service Area

(Chart 5)



12 of the 25 claims made against the last three 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	5	58,155	9	20,931
Using machinery	1	16,740	2	5,361
Chemicals	1	11,700	0	-
Manual handling	2	25,390	0	-
Assault/battery	1	5,000	0	-
Other	3	33,130	1	0
TOTAL	13	150,115	12	26,292

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 or other types of incident.

The “other” incidents are where it is not possible to put it into one of the other categories, for example where a Service User/Pupil caused an injury to an employee but it was not as a result of an assault.

It is pleasing to note that we continue to receive very few Employers Liability claims. This endorses the risk management and health and safety processes which are evident within the authority.

Motor Claims

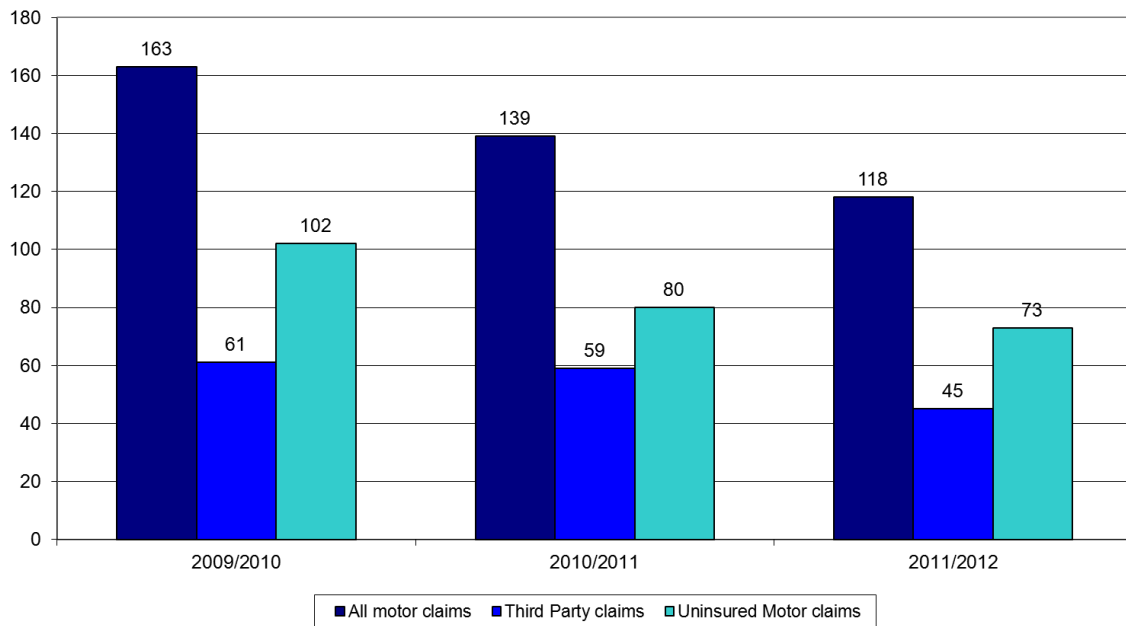
We insure our vehicles on a Third Party only basis which means that our Insurers deal with the costs involved in a claim where a Third Party is involved, but the physical damage to our own vehicle (uninsured motor claims) is funded from an internal Insurance Fund.

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

Motor Claims Overview

(Chart 6)



It is clear to see the number of both Third Party and Uninsured Motor claims has continued to reduce.

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.

Table 9 shows that during the last two policy years over half the incidents where a Third Party was involved, was 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	2010/2011			2011/2012		
	No.	% (of £)	Net Paid £	No.	% (of £)	Net Paid £
Are we at fault?						
Yes	34	64.3	54,392	28	54.0	26,820
No	24	27.7	23,442	16	21.5	10,689
Unknown	1	8.0	6,767	1	24.5	12,189
Total	59	100	84,601	45	100	49,698

Tables 10a and 10b provide 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	2010 / 2011		2011 / 2012	
	No.	Net Paid £	No.	Net Paid £
Attempt to avoid collision	1	0	2	1,784
Collision with vehicle in opposite direction	9	6,609	6	3,465
Collision at roundabout	1	456	1	0
Debris on carriageway	1	6,012	0	0
Emerged from minor road	0	0	2	2,059
Hit in rear	2	0	1	0
Hit parked vehicle	9	1,379	4	1,292
Hit Third Party in rear	3	4,747	1	0
Ice/snow/flood	5	247	0	0
Insured vehicle left road	0	0	1	984
Insured vehicle reversing	9	21,574	12	7,160
Insufficient information	2	0	0	0
Loading/unloading	1	12,150	0	0
Manoeuvring/misjudgement	8	3,361	8	3,574
Object fell from insured vehicle	0	0	0	0
Other	1	0	0	0
Parked and unattended	4	0	4	0
Third Party emerged from minor road	0	0	1	0
Third Party emerged from parking	1	2,949	0	0
Third Party vehicle reversing	2	0	1	0
Turning in from major road	0	0	1	12,189
Total	59	59,484	45	32,507

Table 10b: Uninsured Motor costs for own damage

Own costs	2010 / 2011		2011 / 2012	
	No.	Net Paid £	No.	Net Paid £
Attempt to avoid collision	1	170	2	4,254
Collision with vehicle in opposite direction	9	2,547	6	5,472
Collision at roundabout	1	0	1	0
Debris on carriageway	1	5,676	0	0
Emerged from minor road	0	0	2	0
Hit in rear	2	0	1	0
Hit parked vehicle	9	666	4	3,848
Hit Third Party in rear	3	2,603	1	0
Ice/snow/flood	5	3,963	0	0
Insured vehicle left road	0	0	1	1,823
Insured vehicle reversing	9	2,888	12	194
Insufficient information	2	0	0	0
Loading/unloading	1	2,269	0	0
Manoeuvring/misjudgement	8	517	8	1,075
Object fell from insured vehicle	0	0	0	0
Other	1	0	0	0
Parked and unattended	4	0	4	525
Third Party emerged from minor road	0	0	1	0
Third Party emerged from parking	1	3,818	0	0
Third Party vehicle reversing	2	0	1	0
Turning in from major road	0	0	1	0
Total	59	25,117	45	17,191

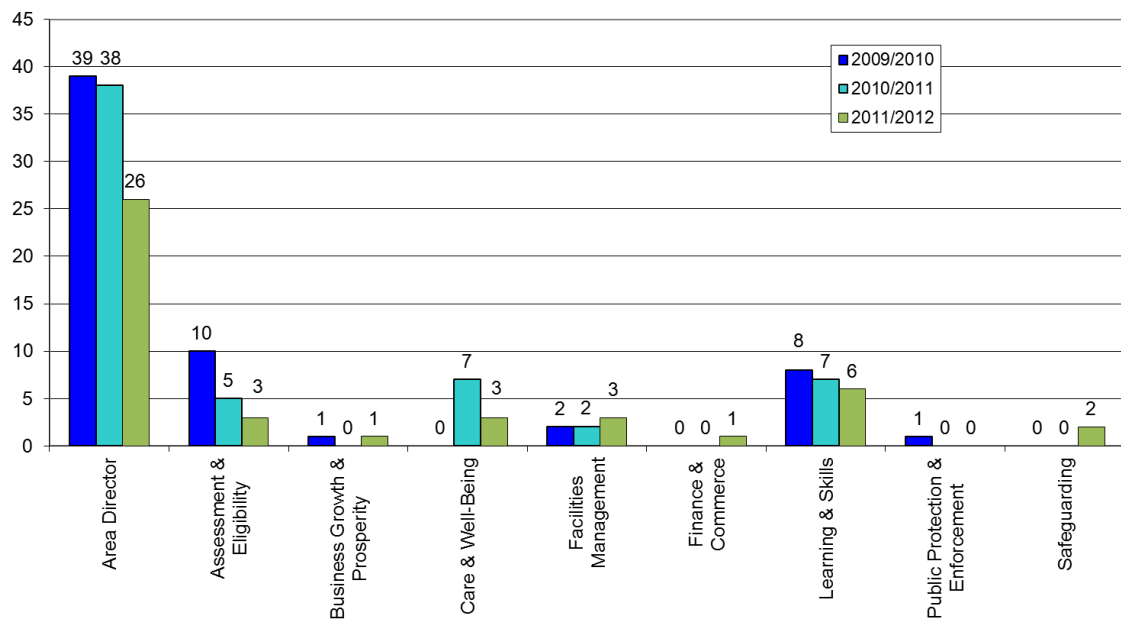
The number of claims caused by our vehicle reversing during 2010/2011 has increased from the previous policy year. There has also been no improvement to the claims as a result of our drivers' manoeuvring or misjudgement.

It is important to take into account any open claims. For 2010/2011 there are two open claims with a total reserve of £44,608. For 2011/2012 there are 24 open claims with a total reserve of £48,103. Included in the 2010/2011 figure is one claim for £30,919 where our driver opened the door and a Third Party drove into it.

Chart 7 shows the number of Third Party motor claims received by each of the Service Areas.

Third Party Motor Claims by Service Area

(Chart 7)



Consistently over the past three policy years, the majority of Third Party motor claims fall within the Area Directors' responsibility. This is not a surprise as this includes services such as Street Scene, Libraries, Highways & Transport and Highway Maintenance. It is good to see that the number of claims received by Assessment & Eligibility have continued to reduce.

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	36	58.1	15,180	35	44.2	9,186
No	43	41.6	10,866	38	55.8	11,597
Unknown	1	0.3	66	0	0.0	0
Total	80	100	26,111	73	100	20,783

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

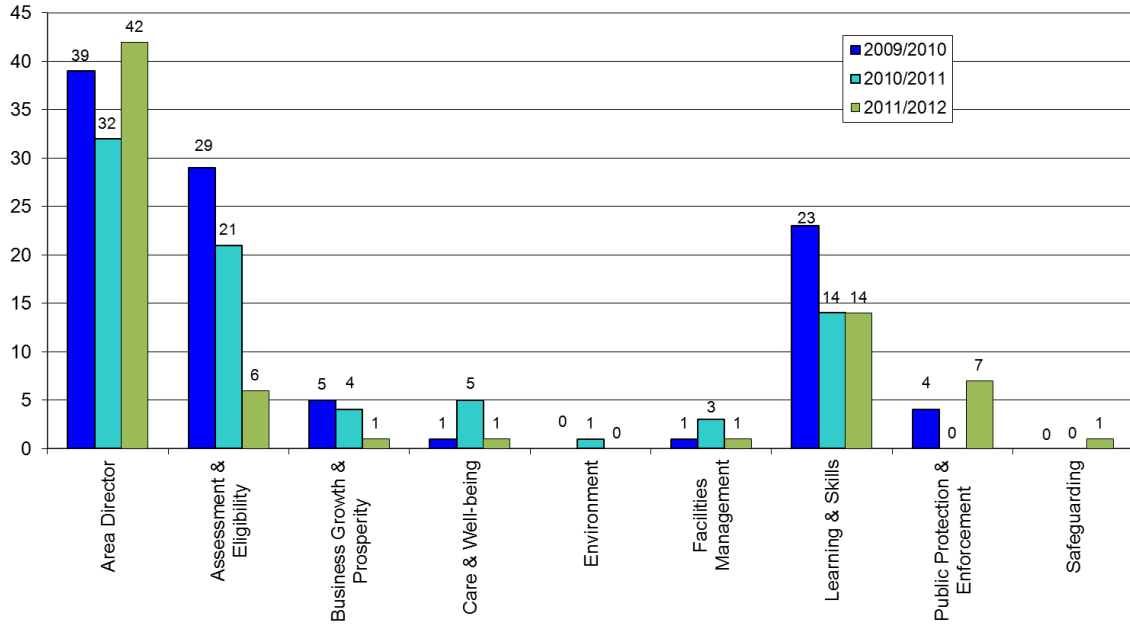
Own Damage costs	2009/2010		2010/2011	
	No.	Net Paid £	No.	Net Paid £
Attempt to avoid collision	4	409	4	759
Collision with vehicle in opposite direction	2	66	2	54
Collision with pedestrian/animal	5	1,180	1	292
Debris on carriageway	4	1,228	1	0
Hit parked vehicle	2	379	1	0
Ice/snow/flood	2	548	1	2,038
Insured vehicle reversing	9	4,049	14	1,925
Manoeuvring/misjudgement	18	9,710	16	6,502
Object fell from insured vehicle	1	100	0	
Other	4	861	0	
Parked and unattended	10	1,482	18	5,312
Theft from vehicle	6	2,172	5	2,256
Vandalism	2	653	0	
Windscreen	11	3,276	10	1,646
Total	80	26,111	73	20,783

It is disappointing to see an increase in the number of claims where our driver is reversing and where our vehicles are parked and unattended.

As previously mentioned, it is important to take into account the claims still open. There are no open claims for 2010/2011, for 2011/2012 there are 19 claims still open. These claims have a total reserve of £4,630.

Chart 8 shows the number of Own Damage 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 and a small increase for Public Protection & Enforcement.

Uninsured Motor Claims by Service Area
(Chart 8)



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 9 shows the number of claims against the last three policy years. Clearly the very cold winter in December 2010/January 2011 has influenced the number of claims made.

Property claims by cause

(Chart 9)

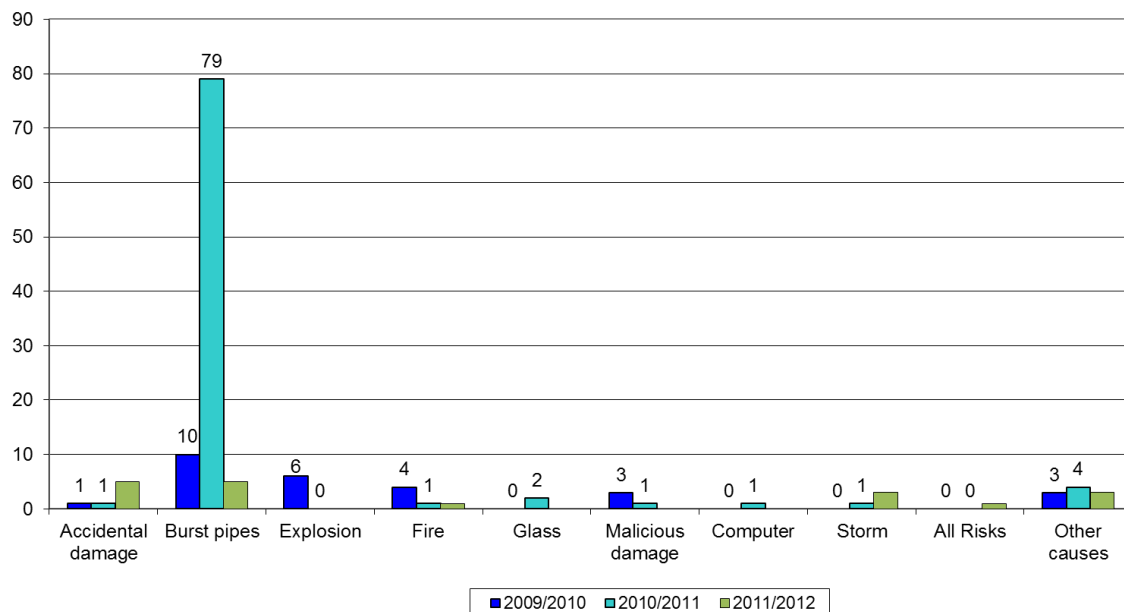


Table 13 shows the number of claims made in the last two policy years that are currently open – fortunately the majority of the burst pipe claims are now closed.

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

	2010/2011		2011/2012	
	Open	Reserve £	Open	Reserve £
Burst pipes	4	£62,778	1	£10,600
Computer	1	£19,385	0	-
Fire	0	-	1	£2,321
Other causes	0	-	1	£2,500
Storm	0	-	3	£8,100
Total	5	£82,163	6	£23,521

Table 14 provides information on closed claims in the last two policy years.

In 2010/2011 there were 75 burst pipe incidents which the Risk Management Team handled.

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

	2010/2011		2011/2012	
	Closed	Net Paid £	Closed	Net Paid £
Accidental damage	1	£296	5	£1,615
Burst pipes	75	£246,349	4	£4,548
Fire	1	£1,482		
Glass	2	£458		
Malicious damage	1	£425		
Other causes	2	£1,254		
Storm	1	£470		
Theft	2	£0	3	£1,740
Total	85	£250,734	12	£7,903

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

Schools' Travel Scheme Claims

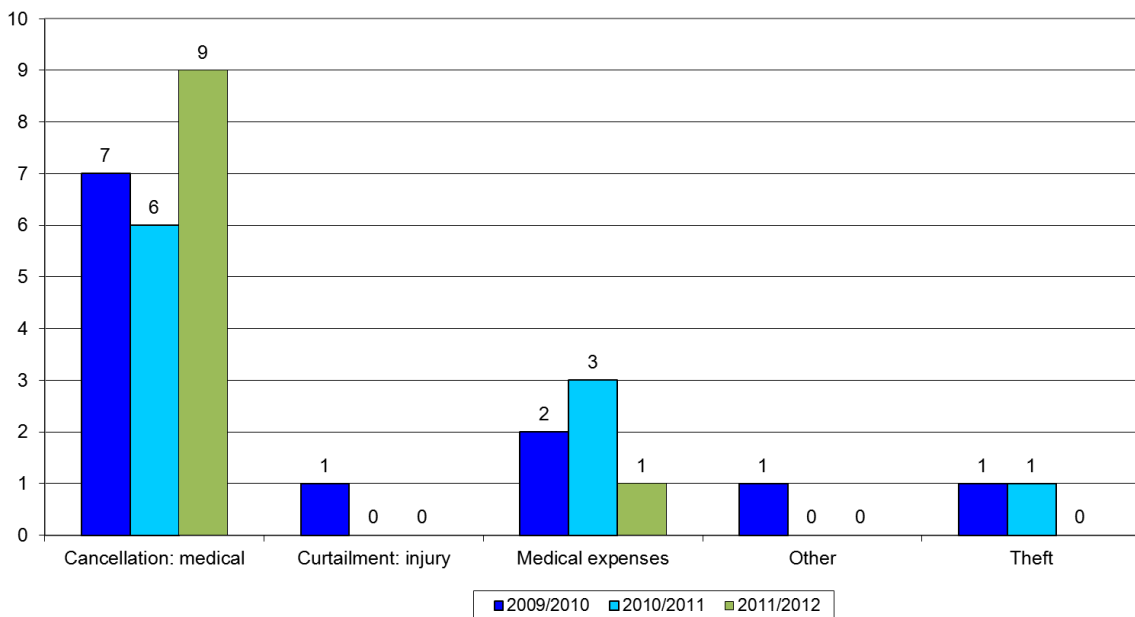
This scheme was introduced in 2005/2006 and runs on an annual basis from October each year. It is not compulsory for schools to join this scheme, but the cover and costs quoted by our Insurers are very attractive compared to other schemes. Currently the majority of all Shropshire Council's schools have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

In total, 32 claims have been made against the last three policy years and just three of these are still ongoing. Of the 29 which have been closed, all have been met by Insurers for a total of £6,480, which is an average of £223 per claim.

Chart 10 shows the different types of claims made under this policy. The majority of claims made during the last three policy years are pupils/staff cancelling their trip as they are unable to attend due to medical reasons.

Schools' Travel Scheme Claims by Type

(Chart 10)



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 during the last three policy years 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.

Money Claims

Four Money claims have been made against the last three policy years. Three were as a result of theft and were settled with a total net payment of £1,426. The fourth claim was for a fraudulent cheque but no payment was made.

Officials Indemnity Claims

Thirteen Officials Indemnity claims have been made against the last three policy years, three claims in 2009/2010, six claims in 2010/2011 and four claims in 2011/2012. Of the 13 claims, nine have been closed with a total net paid of £7,734 and the remaining four open claims have a total reserve of £40,735.

Five claims were repudiated, therefore saving us a potential £41,000.

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.

Benchmarking

Each year Shropshire Council provides data to CIPFA to be compared with other authorities' data nationally. In 2011 the number of authorities carrying out this comparison was 35, however this increased up to 47 for 2012. Data provided to CIPFA is for claims made against the last five policy years.

The results of the 2012 survey show the following.

The number of Public Liability claims received by Shropshire Council is way below the average and the number of Employers Liability claims is the lowest compared to all other authorities.

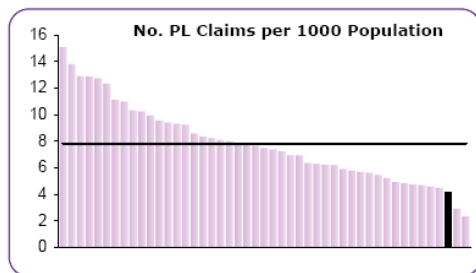


Chart 11: Public Liability claims

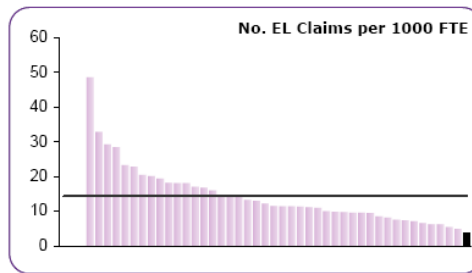


Chart 12: Employer Liability claims

The number of claims repudiated for Public and Employers Liability claims is above average

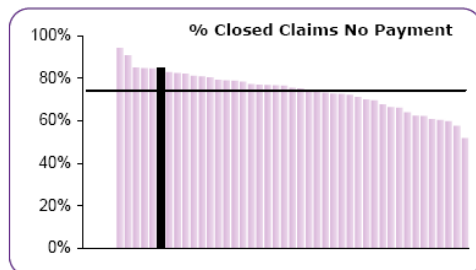


Chart 13: PL claims closed without payment

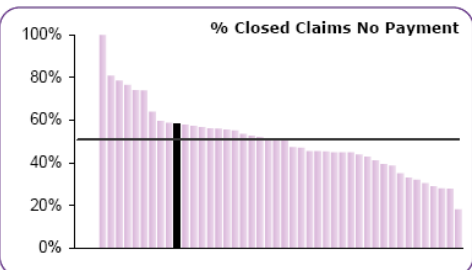


Chart 14: EL claims closed without payment

The average cost per claim for Public Liability claims is slightly higher than average (Chart 15). The average cost per claim for Employers Liability claims is lower than average (Chart 16).

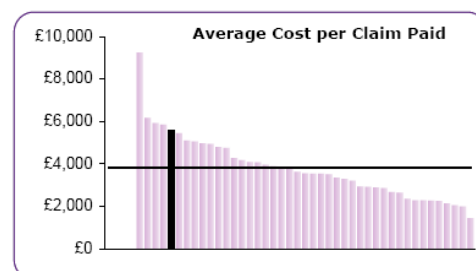


Chart 15: PL average cost per claim

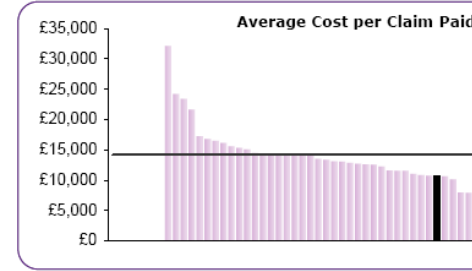


Chart 16: EL average cost per claim

Although the average payment made on a Public Liability claim appears high compared to other Authorities, the reasoning behind this is likely due to the stance taken by other Authorities to settle all low value claims (below a specific value), whereas Shropshire Council will defend all claims where possible.

As Shropshire Council has a good claims history for liability claims it means that premiums for insurance are below average.

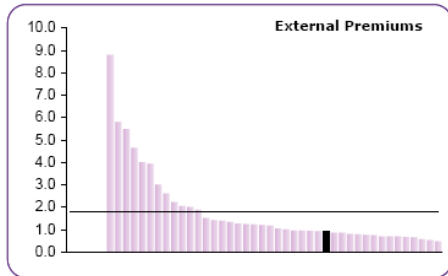


Chart 17: Cost of external premiums

Training

During 2011/2012 the Risk Management Team began a review of procedures at Council premises for adhering to the corporate Asbestos Policy. The review is still ongoing and the results will need to be analysed in detail to ensure that our policies are robust.

The Risk Management team have continued to carry out Risk Management and Insurance training for schools with a session being provided termly. Good attendance is achieved and the training is well received.

The team have also received training from the Highways team on the new system introduced for the Ringway contract. This has allowed the team to have an understanding of the paperwork to enable them to consider liability on a claim. Our claims handlers, Gallagher Bassett also attended the training.

Looking forward to 2012/2013 the Risk Management Team has arranged a Mock Trial for the Highway Technicians. This is a training session organised by our Insurers' solicitors for the purpose of allowing our Technicians to observe a fictional highway case at trial showing how evidence is given and the trial procedure so they can familiarise themselves with the court process.

Audit

During April 2012 the Internal Audit team carried out an audit of the Insurance Team. We are pleased to report that audit were able to advise a Good assurance level and did not feel the need to give any recommendations.