



Annual Insurance Report
2009-2010

Produced by Risk Management & Insurance

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Introduction

This report is based on claims data extracted from QLAS, the Zurich Municipal database used by the Risk Management and Insurance team and provides an overview of Shropshire Council's claims experience. The data used for this report relates to claims received (and not necessarily occurring) in the following policy years:

- 1 April 2008 to 31 March 2009
- 1 April 2009 to 31 March 2010

The data was collated on 15 April 2010 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.

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Overview

Claims Received by Policy Year

(Chart 1)

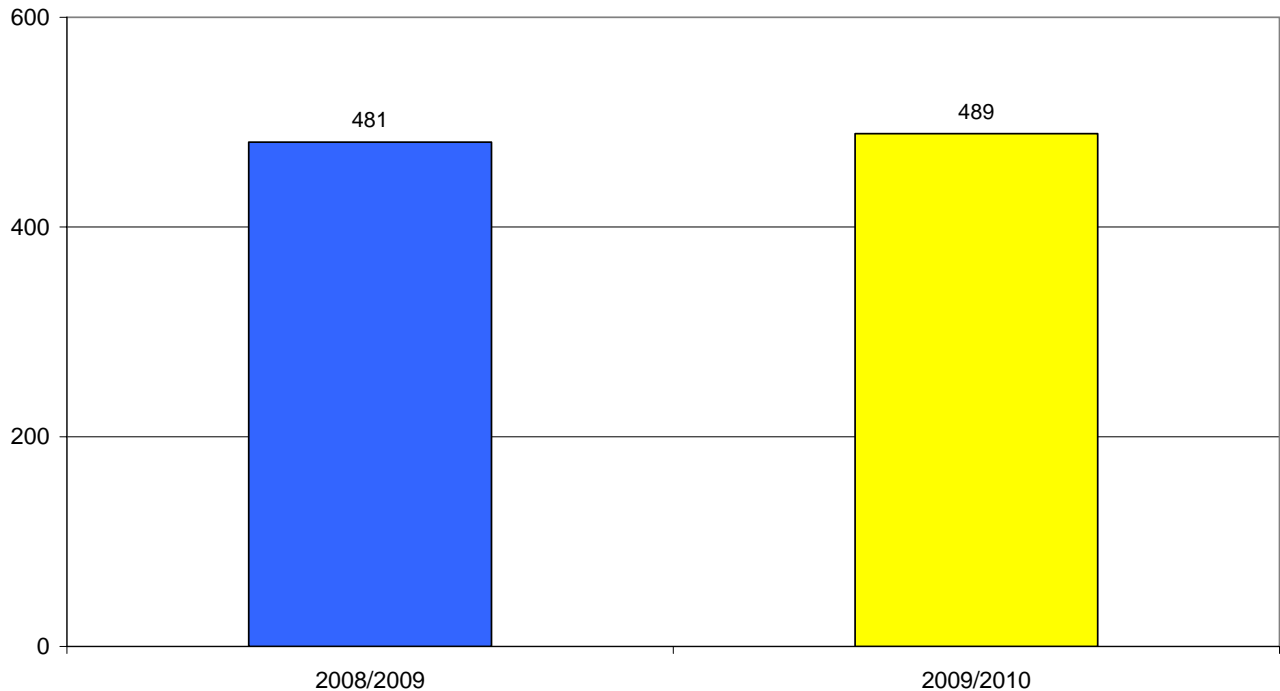


Chart 1 shows a comparison of the number of claims received over the past two policy years. It is pleasing to note there has been a small increase of only eight claims.

Table 1: Open claims with reserve

Policy Year	Claims Open	Reserve £	Average Reserve £
2008/2009	48	705,550	£14,699
2009/2010	275	1,364,228	£4,961

Table 1 shows the number of claims open as at 15 April 2010 and the total of their reserves. 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 by the person bringing the claim against Shropshire Council.

Of the 481 claims received in 2008/2009 only 48 remain open. Claims that are open for a long length of time are normally involved and complicated and will, by their very nature, have larger reserves.

To consider the remaining reserves and net payments made within each policy year it must also be accepted that a minority of claims can have significantly higher reserves allocated and payments made. Table 2 details the three highest reserves and Table 3 shows the three highest payments made in each policy year.

Table 2: Three largest reserves on open claims

Policy Year	Type of Claim	Reserve £	Details
2008/2009	Officials Indemnity	94,000	Failure to advise on public footpath on land
	Public Liability	75,000	Trip on pavement
	Employers Liability	60,000	Alleged exposure to asbestos
2009/2010	Land Charges	85,000	Failure to disclose public footpath
	Public Liability	40,000	Alleged abuse
	Public Liability	40,000	Trip on pavement

Table 3: Three largest net payments on closed claims

Policy Year	Type of Claim	Net Paid £	Details
2008/2009	Public Liability	34,778	Tripped in pothole and sustained injuries
	Property	27,318	Storm water caused damage at school
	Motor	15,283	Hit Third Party vehicle in rear
2009/2010	Property	94,795	Fire damage to school
	Property	40,933	Damage to properties from explosion
	Property	32,097	Head on collision with Third Party vehicle

It is possible to take the claims paid with the largest reserves, in Table 3, and analyse how this affects the overall total net paid.

In 2008/2009 the three largest claims paid is accountable for 32.5% of the total net paid in the same policy year and in 2009/2010 the three largest claims paid are accountable for 12.0% in the same policy year.

Table 4 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 4: Closed claims with net paid

Policy Year	Total Claims Closed	Claims Closed with no Payment	Claims Closed with Payment	Net Paid (closed claims) £	Average Net Paid (closed claims) £
2008/2009	433	241	192	251,968	1,312
2009/2010	214	90	124	80,304	648

Table 4 demonstrates there are a substantial number of claims which are repudiated and no payment is made.

Chart 2 shows that the number of claims received in each class of business for the 2009/2010 policy year, is comparable to the 2008/2009 policy year.

Claims Received by Class of Business
(Chart 2)

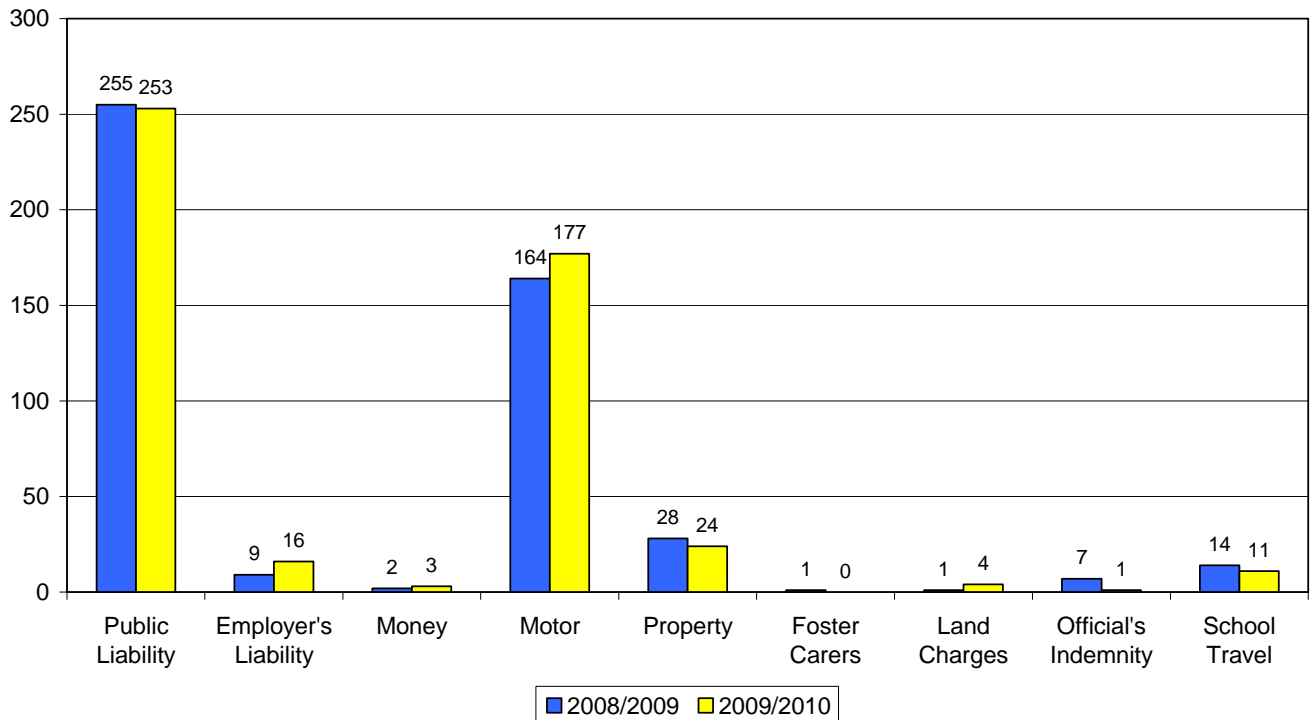
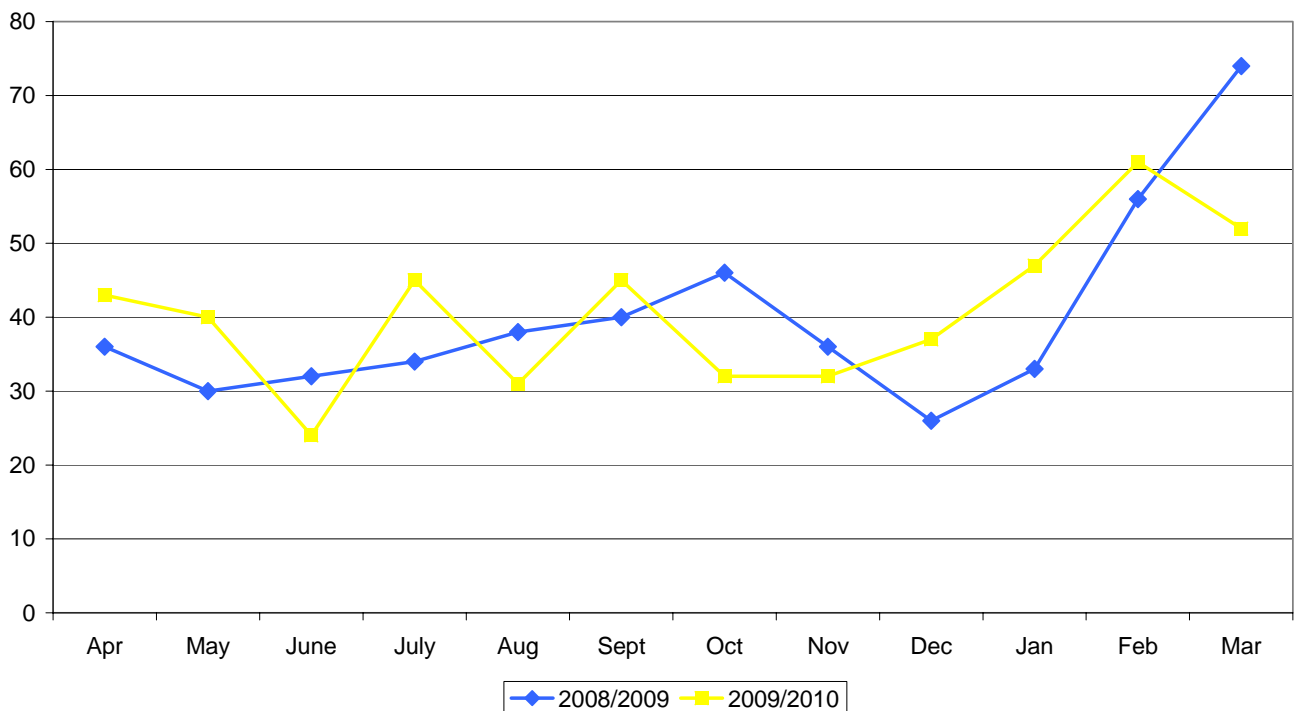


Chart 3 below shows the number claims received on a monthly basis in each of the two policy years. There is a steep rise in the claims received in January, February and March. During the past two policy years there has been severely cold weather resulting in an increased number of potholes. The fact there has been very cold spells in the early parts of the past two policy years will be studied in more detail in this year's separate Highways report.

Claims by Month Received
(Chart 3)



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 the Authority's negligence. All claims are assessed on the basis of whether Shropshire Council has 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: Public Liability claims open with reserves

Policy Year	Claims Received	Claims Open	Total Reserves on Open Claims £	Average Reserve £
2008/2009	255	35	414,973	11,856
2009/2010	253	173	904,590	5,229

Table 5 shows the number of Public Liability claims received in 2009/2010 compared to the previous policy year. The number of Public Liability claims received in 2009/2010 has decreased by two claims from the previous policy year.

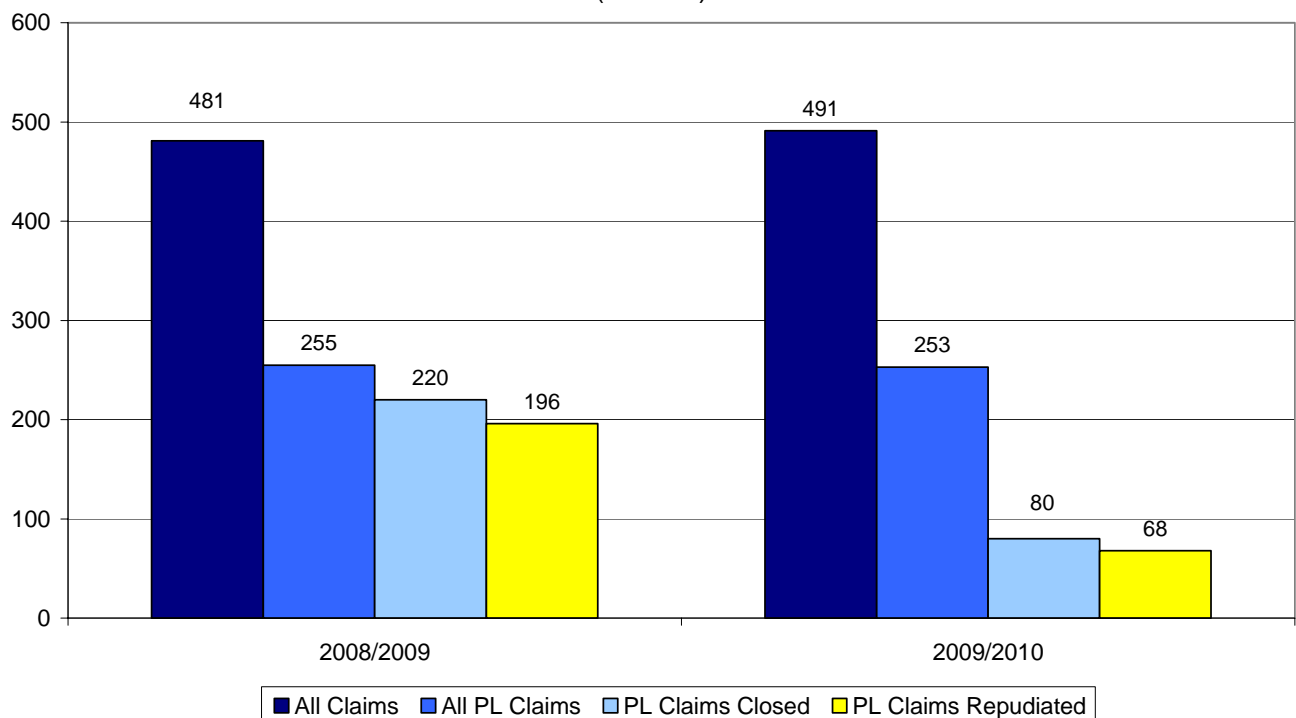
Table 6: Public Liability claims received in service areas

Service Area	2008/2009	2009/2010
Arts & Heritage	-	1
Car Parks	3	7
Children & Young People's	1	4
Community Services	1	-
County Training	1	-
Development Services	9	9
Highways	203	190
Housing	11	7
Leisure & Outdoor	4	9
Libraries	-	1
Older People & Disabilities	-	1
Primary Education	5	-
Public Protection	-	1
Resources	2	3
Secondary Education	10	6
Special Education	-	1
Street Scene	4	12
Youth Service	1	-
West Mercia Supplies	-	1

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). As a result of the high number of claims received by the Council's Highways team a separate report is produced specifically to look at this area in more detail.

Chart 4 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 excellent risk management processes which are in place within the Council i.e. thorough inspection regimes and recording systems.

Public Liability Claims Comparison
(Chart 4)



Although the actual repudiation rate will not be known until all claims received within each policy year are closed, the current repudiation rate for all Public Liability claims received during 2008/2009 is 89% and 85% for 2009/2010.

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.

The majority of claims received under the Public Liability insurance policy relate to the Authority's highways, either footways or carriageways. 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 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 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 claim.

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.

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

	2008/2009			2009/2010		
	No. Closed	No. Paid	Average Paid	No. Closed	No. Paid	Average Paid
Damage/loss of Third Party Property only	1	1	£540	1	0	£0
Defective equipment	1	0	£0	3	1	£536
Defective premises condition	7	3	£519	1	1	£126
Defective premises other	1	0	£0	1	0	£0
Damage to underground cable/service	4	0	£0	2	1	£1,046
Grass cutting	-	-	-	6	1	£196
Housing	3	1	£850	-	-	-
Inadequate supervision	5	1	£249	-	-	-
Insufficient information	4	0	£0	-	-	-
Leisure/recreational/open space - other	1	0	£0	-	-	-
Loose chippings/debris on carriageway	11	0	£0	8	0	£0
Other	15	3	£900	5	2	£959
Other - sudden pollution	1	0	£0	-	-	-
Signs - carriageway	5	0	£0	1	0	£0
Surface defect - carriageway	112	13	£1,348	42	5	£245
Surface defect - footway	23	1	£7,825	8	1	£6,176
Tree roots - non-highways	1	1	£1,533	-	-	-
Verge defect	7	0	£0	2	0	£0
Warning notices	1	0	£0	-	-	-
Winter/ice/snow - carriageway	13	0	£0	-	-	-
Winter/ice/snow - footway	4	0	£0	-	-	-

At the time of this report, of the 300 Public Liability claims closed in the past two policy years only 36 were settled with payments made and this means that 264 claims were repudiated by Insurers.

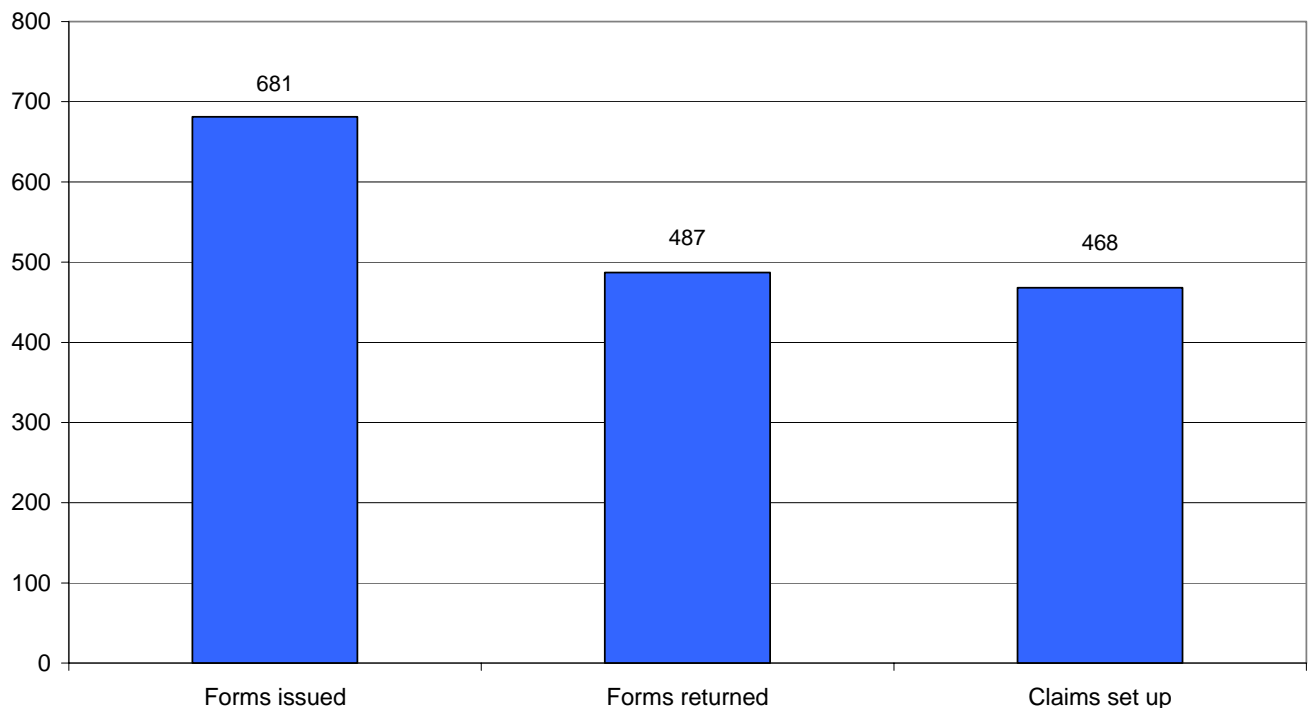
Had Shropshire Council had to pay for those repudiated claims there would potentially have been an additional £670,532 payable from the Insurance Fund. Thus the benefits of good risk management and the hard work undertaken by the Council employees can be clearly seen.

A Claimant may decide to take Shropshire Council to court following the repudiation of their claim. If we are not deemed legally liable for a claim then we will defend these claims where practicable to do so. During the last policy year six cases were taken to court and we won five of them.

Claim Forms

In March 2007 Shropshire Council introduced the use of Claim Forms. To date we have issued 681 forms and have received 487 (71.5%) back. This has resulted in 468 claims being registered with Insurer's, being 68.7% of the initial letters of claim received, as shown in Chart 5.

All Claim Forms Issued since March 2007
(Chart 5)



The 213 Claim Forms (31.3%) 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 £42,600 on Claim Handling fees (based on an average fee of £200 per claim).

Comparing the whole of 2009 against 2008 there was an increase of 23.2% in the number of claim forms being issued.

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 the employer's negligence.

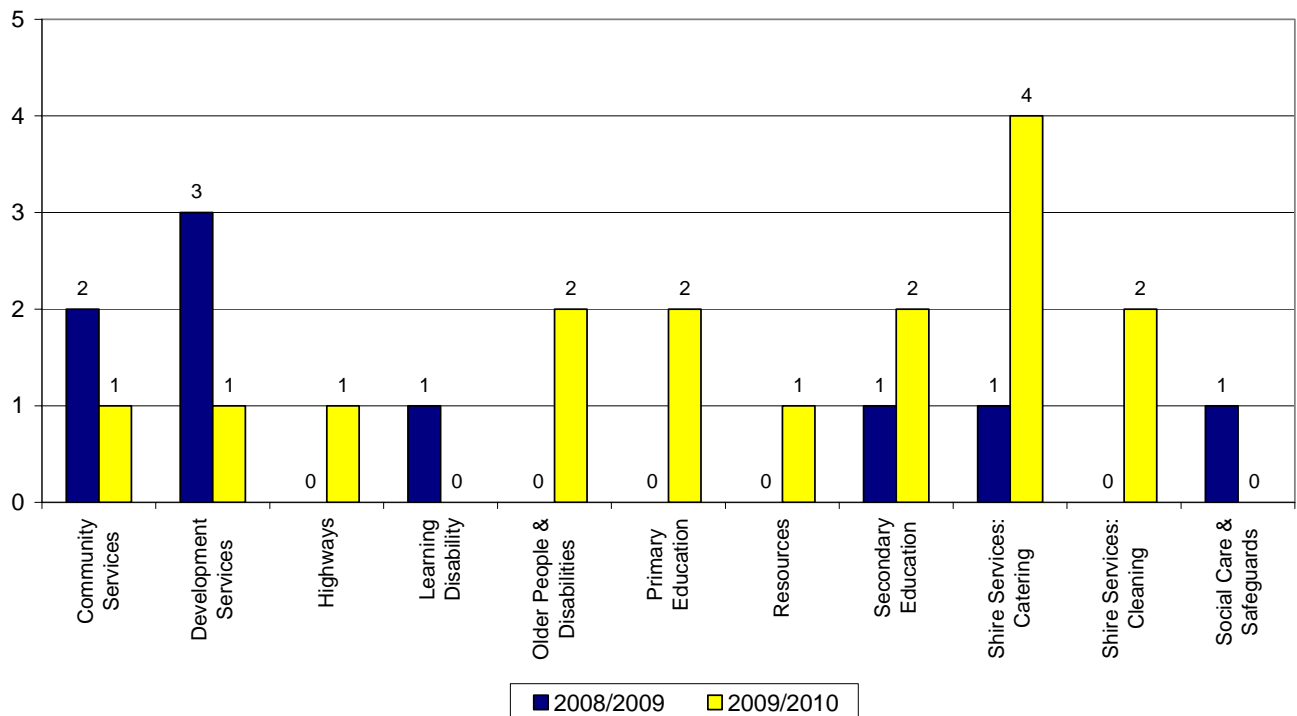
It is more difficult to compare Employers Liability claims as they are received in smaller numbers. Although the numbers are smaller, the amount paid on claims is substantially more than paid on a Public Liability claim. The higher payout is due to two reasons, one: the Claimant will have a solicitor involved and two: the onus on the employer to have safe work practices in place is very high. The cost of claims currently open can be seen in Table 8.

Table 8: Employers Liability claims open with reserves

Policy Year	Claims Received	Claims Open	Total Reserves on Open Claims £	Average Reserve £
2008/2009	9	3	75,501	25,167
2009/2010	16	13	134,700	10,362

Chart 6 shows the service areas where Employers Liability claims have been received over the past two policy years.

Employers Liability Claims Received in Policy Year by Service Area
(Chart 6)



Although Shire Services have seen a large increase in the number of claims they have received in 2009/2010 compared with 2008/2009, it should be noted that it is only actually an increase of three claims.

Table 9 provides details of the types of Employers Liability claims received during 2009/2010 together with their status and the reserve or net paid.

Table 9: Public Liability claims received in 2009/2010 by their cause (excluding Highways claims)

Cause	Open	Reserve £	Closed	Net Paid £
Manual handling - other	1	20,000	1	0
Manual handling - people	1	17,500	-	-
Other	1	5,000	-	-
Repetitive work process	1	10,000	-	-
Slip/trip	5	61,566	2	6,551
Struck by object (not vehicle)	2	15,700	-	-
Using machinery	2	14,000	-	-
TOTALS	13	143,766	3	6,551

The majority of the claims received during the 2009/2010 policy year relate to slips and trips whilst working.

Motor Claims

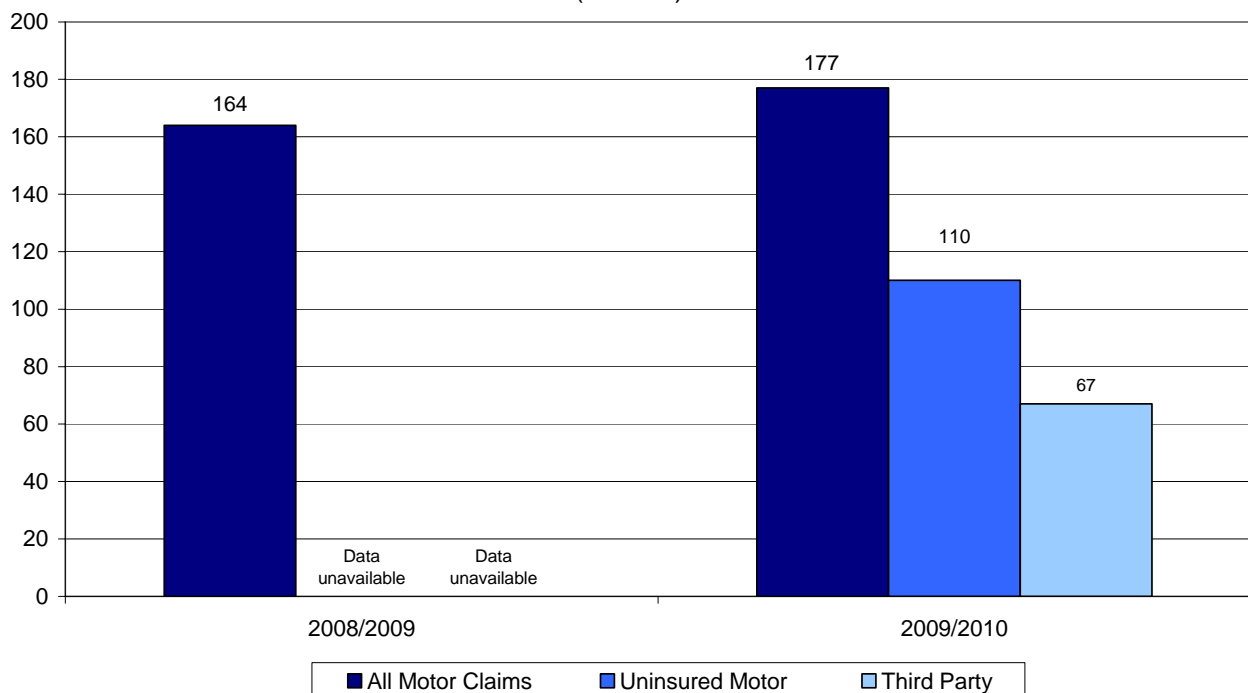
Motor claims fall into one of two categories, “Third Party” or “Uninsured Motor”. Third Party (TP) claims are where another person/property/vehicle is involved. Uninsured Motor claims are where only our vehicle is involved or the third party details are unavailable (and very unlikely to become available).

Shropshire Council has 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 Motor Insurance Fund and not by our Insurers.

Prior to Unitary, the ex-District, Borough and County Councils insured and registered their vehicles and claims differently and so it is not possible to separate the claims prior to 1 April 2009 into the two categories mentioned above. From 1 April 2009 all Motor claims are categorised as Third Party or Uninsured Motor.

Chart 7 shows the total number of Motor claims and for 2009/2010 it details the split of the total number into Third Party and Uninsured Motor.

Motor Claims by Category
(Chart 7)



Comparing the figures shown in Chart 7 it is clear there has been an increase in the total number of Motor claims received.

In 2009/2010, Uninsured Motor claims (where only our vehicle was damaged) account for 62% of the total number of claims dealt with.

Table 10 shows the causes of Motor claims and considers the sums paid out (which will include payments for our damage, third party damage and compensation for any injuries sustained).

Table 10: Causes of Motor claims and Net Payments made

	2008/2009			2009/2010		
	No.	%	Net Paid £	No.	%	Net Paid £
Total cost of damage						
Attempt to avoid collision	6	3.3	4,563	11	39.3	50,074
Collision with vehicle travelling in the opposite direction	13	8.4	11,484	8	1.0	1,228
Collision at roundabout	2	0.5	616	1	0.1	104
Coll with pedestrian/animal	2	0.1	116	-	-	-
Debris/object on carriageway	1	0.1	150	4	1.0	1,262
Hit in rear	8	3.3	4,525	3	0.0	0
Hit parked vehicle	10	5.7	7,743	15	3.7	4,670
Hit third party in rear	4	17.8	24,376	4	3.4	4,309
Ice/snow/flood	1	0.1	200	7	3.9	5,002
Insufficient information	9	32.1	44,015	1	0.3	380
Insured vehicle left road	1	0.2	250	-	-	-
Insured vehicle reversing	36	13.9	19,010	37	24.4	31,237
Manoeuvring/misjudgement	31	8.1	11,141	33	8.3	10,598
Object fell from insured vehicle	1	0.2	258	1	0.0	0
Other	5	1.1	1,537	6	9.8	12,463
Parked and unattended	6	0.9	1,175	20	2.8	3,583
Theft from vehicle	9	0.4	483	7	0.4	455
Third party emerged from minor road	3	0.2	207	1	0.0	0
Third party vehicle reversing	3	0.0	-18	5	0.2	255
Vandalism	1	0.0	64	5	0.2	289
Weather	1	0.0	0	-	-	-
Windscreen	11	3.6	4,875	8	1.2	1,521
Unknown	0	0.0	0	-	-	-
TOTAL	164	100	136,770	177	100	127,430 x

Please note that some claims are still currently being dealt with and therefore the figures are not definitive. There are still outstanding reserves on the two policy years as follows:

2008/2009	£ 9,396
2009/2010	£79,573

There are also claims where we have paid for the damage to our vehicle and where we are attempting to recover our losses from the third party.

Discounting the causes with "Insufficient information", it is clear to see that the highest number of Motor claims for both policy years was caused by our vehicle reversing or manoeuvring/misjudgement. In fact, in 2009/2010 these types of claims accounted for 33% of the total payments made.

To consider the total payment made in each policy year, it must be accepted that a minority of claims can have significantly higher payments made. Tables 11 and 12 show those claims where more than £10,000 was paid on a claim within 2008/2009 and 2009/2010 respectively.

Table 11: Payments of over £10,000 made on 2008/2009 Motor claims

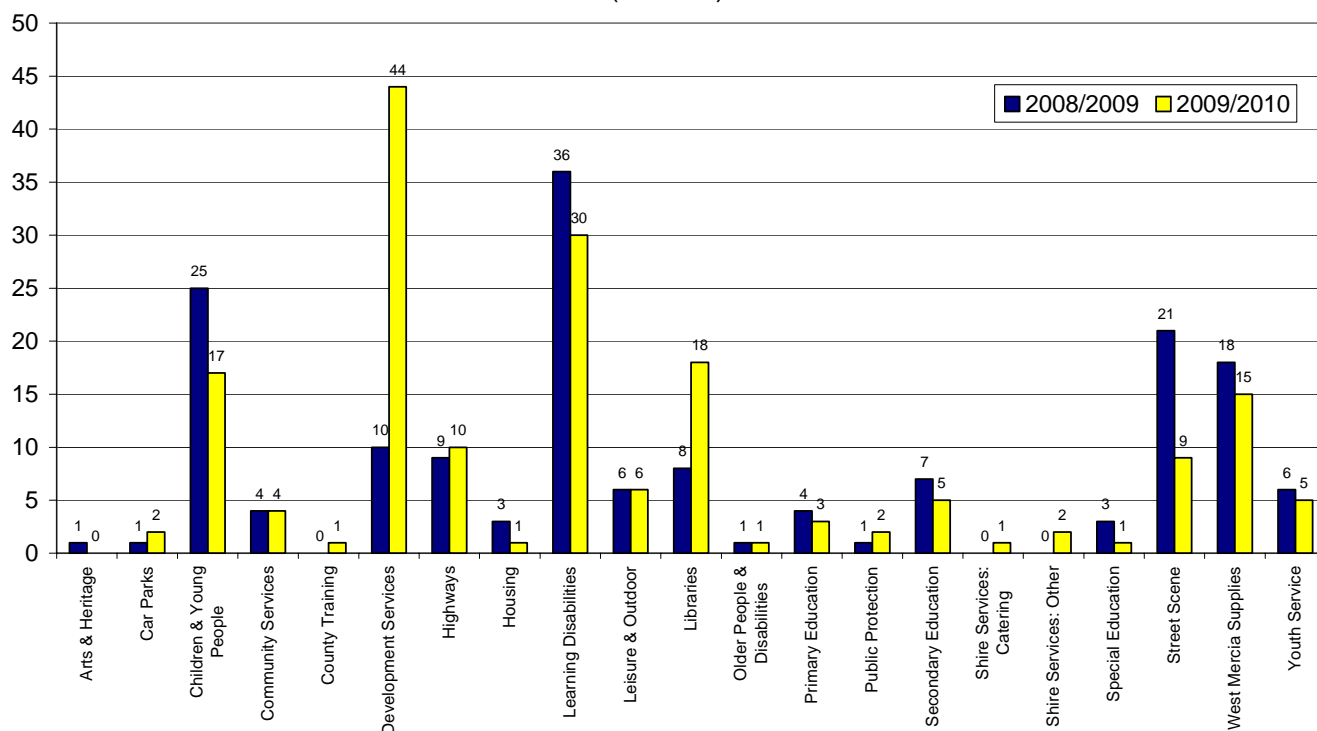
Details	Amount £
Third Party vehicle on wrong side of road, collided with our vehicle.	32,948
Hit Third Party vehicle in rear.	15,283

Table 12: Payments of over £10,000 made on 2009/2010 Motor claims

Details	Amount £
Collision with oncoming Third Party vehicle. Outstanding reserve £5,040.	32,097
Reversed into Third Party's vehicle.	17,316
Skidded into Third Party's vehicle. Outstanding reserve £25,390.	11,327

Chart 8 shows the number of claims received for Motor claims over the last two policy years by Service Area.

Motor Claims by Service Area
(Chart 8)



There has been a significant increase in the number of Motor claims received by Development Services and Libraries and a corresponding decrease in the number of claims received by Learning Disabilities and Street Scene. The only explanation for this we can give at this stage is that following the move to Unitary some vehicles may have been recorded differently and incidents therefore not logged against the same department.

Further analysis of the causes of claims and Service Areas where claims occur is available in the Directorate specific reports.

Uninsured Motor Claims

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

Table 13 shows Uninsured Motor claims in more detail.

Table 13: Analysis of costs paid for damage to Council vehicles (no third party involved)

	2009/2010		
	No.	%	Net Paid £
COSTS no TP involved			
Attempt to avoid collision	6	16.3	6,045
Collision with vehicle travelling in the opposite direction	2	0.7	264
Debris/object on carriageway	4	3.4	1,262
Hit parked vehicle	2	1.0	379
Ice/snow/flood	4	6.7	2,499
Insured vehicle reversing	24	21.0	7,811
Manoeuvring/misjudgement	28	21.9	8,156
Other	3	16.2	6,029
Parked and unattended	17	6.7	2,473
Theft from vehicle	7	1.2	455
Vandalism	5	0.8	289
Windscreen	8	4.1	1,521
TOTAL OWN COSTS	110	100	37,183

From the Uninsured Motor claims received during 2009/2010 it is clear to see that the most prevalent and expensive cause of claims are those where our driver is reversing or manoeuvring our vehicle.

In an effort to reduce the number of incidents in these areas Transport Operations Group has installed reversing cameras, sensors and radars on the larger vehicles.

It is possible to consider the Services Areas that have received claims. Development Services Directorate (includes Car Parks, Development Services, Highways, Public Protection and Street Scene) received a total of 40 Uninsured Motor Claims in 2009/2010, while Community Services Directorate (includes Community Services, Housing, Learning Disabilities, Leisure & Outdoor, Libraries and Older People & Disabilities) received a total of 37 Uninsured Motor claims in 2009/2010.

Further analysis of the causes of claims and Service Areas where claims occur is available in the Directorate specific reports.

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, 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.

Table 14 details the payments made to third parties for 2009/2010 by the type of claims that were received.

Table 14: Analysis of costs paid to third parties for damage/injury and costs of damage to our vehicles in 2009/2010

	No.	Third Party costs		Own costs	
		%	Net Paid £	%	Net Paid £
Attempt to avoid collision	5	1.4	572	89.3	43,457
Collision with vehicle travelling in the opposite direction	6	0.0	0	2.0	964
Collision at roundabout	1	0.3	104	0.0	0
Hit in rear	3	0.0	0	0.0	0
Hit parked vehicle	13	8.8	3,705	1.2	586
Hit third party in rear	4	8.5	3,512	1.6	797
Ice/snow/flood	3	5.9	2,462	0.1	41
Insured vehicle reversing	13	55.7	23,175	0.5	250
Insufficient info	1	0.0	0	0.8	380
Manoeuvring/Misjudgement	5	3.9	1,602	1.7	841
Object fell from insured vehicle	1	0.0	0	0.0	0
Other	3	15.5	6,434	0.0	0
Parked and unattended	3	0.0	0	2.3	1,110
Third party emerged from minor road	1	0.0	0	0.0	0
Third party vehicle reversing	5	0.0	0	0.5	255
TOTAL TP COSTS	67	100	41,566	100	48,681

Please note that there are still claims open and currently being dealt with. Usually where there is only damage to vehicles and the incident is straightforward the claim can be dealt with swiftly. However, where a claim involves personal injury, or the cause of the incident is in dispute, then the matter can be ongoing for a number of years.

It should also be pointed out that claims involving injuries are much more costly than those involving damage to vehicles alone.

It is possible to consider the Services Areas that have received claims. Community Services Directorate (includes Community Services, Housing, Learning Disabilities, Leisure & Outdoor, Libraries and Older People & Disabilities) received a total of 24 Third Party motor claims in 2009/2010, while Development Services Directorate (includes Car Parks, Development Services, Highways, Public Protection and Street Scene) received a total of 20 Third Party motor Claims in 2009/2010.

Further analysis of the causes of claims and Service Areas where claims occur is available in the Directorate specific reports.

Property Claims

Tables 15a and b show the number and types of claims received in each of the last two policy years together with those claims still ongoing with a reserve and those claims closed with the net payments made.

Tables 15a: Property claims received in 2008/2009 by cause

2008/2009	Total Claims Received	Open	Reserve £	Closed	Net Paid £
Burst pipes	4	1	9,650	3	8,959
Fire	1	0	0	1	5,000
Malicious damage	4	2	746	2	6,033
Other	1	0	0	1	14,166
Storm	9	0	0	9	30,128
Theft	4	0	0	4	4,937
Unknown	5	0	0	5	260
Totals	28	3	10,396	25	69,483

Table 15b: Property claims received in 2009/2010

2009/2010	Total Claims Received	Open	Reserve £	Closed	Net Paid £
Accidental damage	1	0	0	1	0
Burst pipes	10	4	1,150	6	3,914
Explosion	2	2	50,933	0	0
Fire	4	3	136,110	1	595
Material damage	3	2	650	1	0
Other	2	1	500	1	904
Storm	1	0	0	1	2,120
Theft	1	0	0	1	6,539
Totals	24	12	189,343	12	14,072

In 2009/2010 there was a large fire at a school and an explosion in a town centre that caused damage to several of our buildings. These claims are still open and ongoing and account for 96.9% of the outstanding total reserve.

With Public Liability, Employers Liability 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 their claim.

Where Uninsured Motor 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 insures under this figure. For the policy year 2009/2010 the deductible for Property claims was £100,000.

In order to ensure there is sufficient money in the insurance fund, it is important to know as much as possible about the claims as soon as they arrive.

Other Claims

There are other policies that Risk Management and Insurance provide. They are not as key as the main policies already covered in this report. This section will provide a brief breakdown of claims received under other non-key policies during 2009/2010.

Land Charges Claims

In 2009/2010 four claims were received from errors/omissions in Land Charges searches. At the time of this report one claim had been settled for £840 while the other three remain open with a total reserve of £140,000.

The reserves on this type of claim can be quite large and this is due to the fact an omission or error on a search could lead to the property/land being devalued.

Money Claims

There were three claims under this policy in 2009/2010 all three relate to break-ins where money was stolen from a locked drawer or safe.

At the time of this report, one claim is closed with a net payment of £1,932 and the other two remain open with a total reserve of £817.

Official's Indemnity Claims

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

Shropshire Council received one Official's Indemnity claim in 2009/2010 relating to loss of earnings due to a road being kept closed.

Schools' Travel Scheme Claims

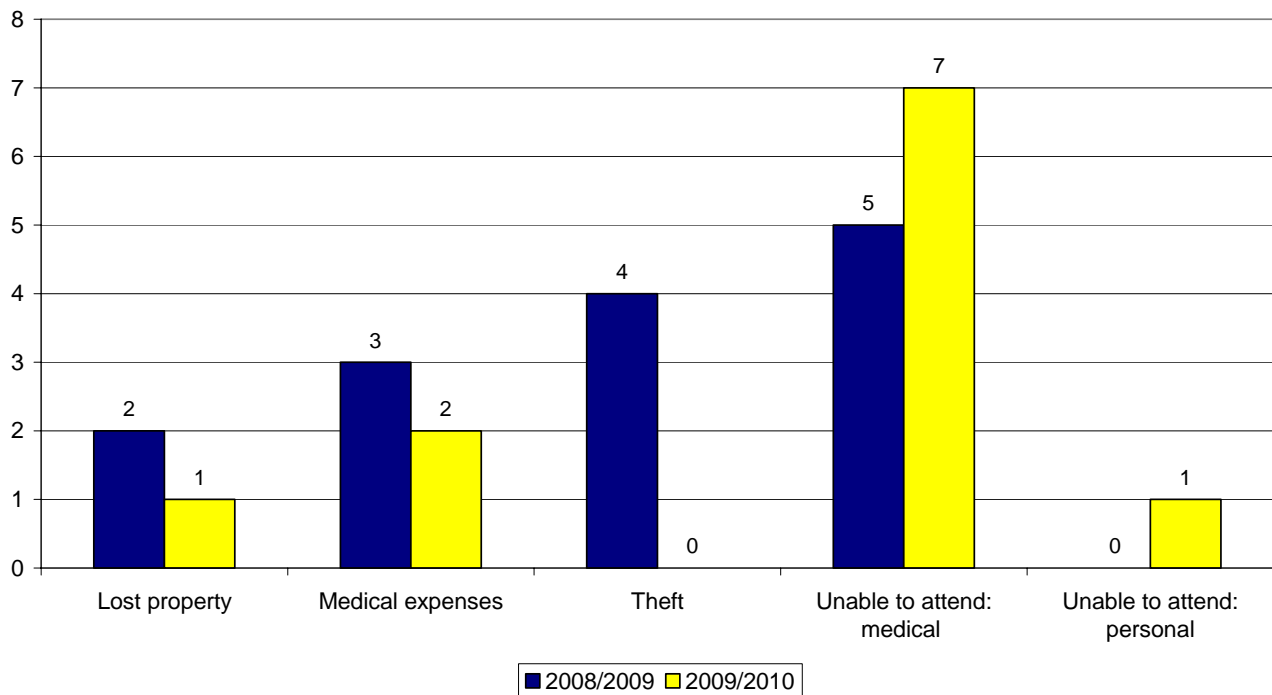
This scheme was introduced in 2005/2006 and runs on an annual basis from October each year. It is not compulsory for schools to join this scheme, but the cover and costs quoted by our Insurers are very attractive compared to other schemes. Currently 96% of all Shropshire Council's schools are included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

Eleven claims were received in 2009/2010. All claims have been met by our Insurers and there was an average payment of £218 per claim.

Chart 9 below shows the different types of claims made under this policy. The majority of claims received in 2009/2010 and the previous policy year related to claims where pupils/teachers were unable to attend on a trip due to medical reasons. In these circumstances the cost of the trip, or the admin cost of changing the attendees details were met by our Insurers.

Schools' Travel Scheme Number and Type of Claims

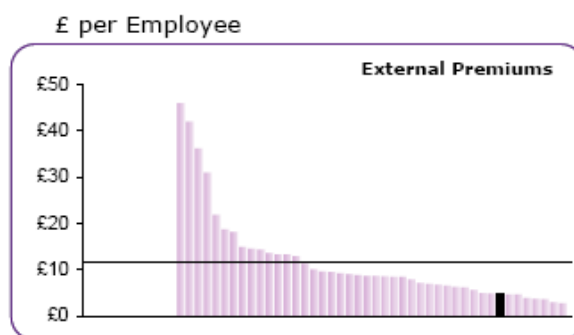
(Chart 9)



As a result of our good claims history with this policy, Insurers have confirmed that for the sixth year in a row they will not be increasing the premiums for this coming policy year.

Benchmarking

At a recent Risk Management Group meeting, our Insurers confirmed that Shropshire Council has one of the lowest premium rates charged across the country and this is because of the excellent risk management processes in place. They advised that the claims history is excellent and stated that they wished that they had many more accounts like Shropshire Council.

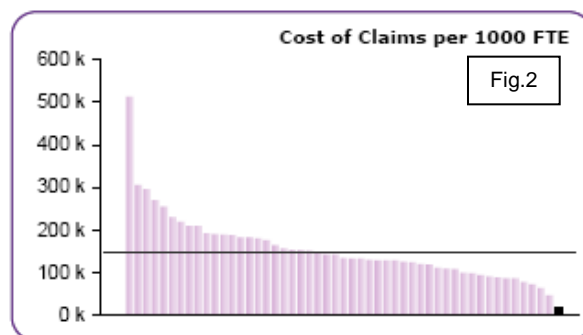
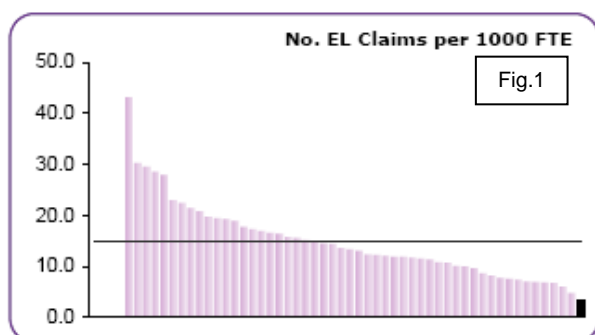


This is reflected in results from a CIPFA benchmarking exercise in 2009/2010 which identified the size of our insurance section as below the average with 0.27 FTE per 1,000 compared to an average of 0.53.

Further excellent performance measures demonstrated in the CIPFA benchmarking exercise are:

Lower than average and lowest recorded:

- Employers liability, number of claims received per 1,000 FTE – Shropshire Council 3.4, average is 14.7. (Fig.1)



- Employers liability, cost of claims per 1,000 FTE - Shropshire Council is £21,000, average is £149,000. (Fig.2)
- Number of school claims for fire, lightning and explosion per school per year, - Shropshire Council 0.02, average 0.03 claims per school per year.
- Number of general property claims for fire, lightning and explosion, - Shropshire Council no claims, average 9.2 claims per property per year.

Well below average:

- Employers liability, premium charged per employee - Shropshire Council is £4.80 per employee, the average is £11.50.

- Employers liability, average cost per claim paid - Shropshire Council is £7,294, average is £13,403.
- Public liability, premium charged head of population – Shropshire Council is £0.40 per head of population, the average is £0.90.
- Public liability, number of claims received per 1,000 FTE is below average – Shropshire Council 3.5, average is 7.7. (Fig.3)

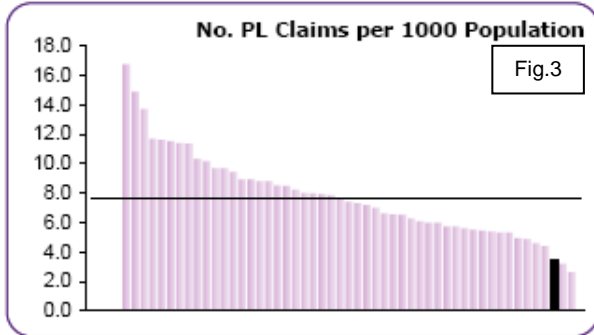
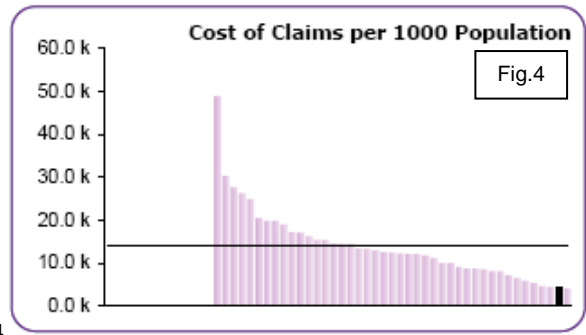


Fig.4



- Public liability cost of claims per 1,000 FTE - Shropshire Council is £6,000, average is £18,200. (Fig.4)
- Public liability, average cost per claim paid – Shropshire Council is £3,835, average is £5,334.
- Property, premium charged per school – Shropshire Council is £1,000, average is £2,500.
- Property, premium per million pounds insured is – Shropshire Council £400, Average is £500.
- Schools, cost per claim for fire, lightning and explosion – Shropshire Council is £6,000, average is £99,000.
- Schools, cost per claim for storm and flood – Shropshire Council is £3,000 and average is £34,000.
- General property, cost per claim for storm and flood – Shropshire Council is £500 and average is £26,100.

Conclusion

It is pleasing to note that the number of claims received in the first year of the new Shropshire Council authority is less than the total number of the District, Borough and County claims for the previous year. It could well have been expected that the number of claims would increase, especially with the continuing recession and harsh winter period that was experienced in 2009/2010.

Indeed, this winter Shropshire Council has bucked the trend as far as pothole claims are concerned. Following the exceptionally hard winter, many roads across the whole country have been affected by potholes.

Other local authorities have seen the number of public liability claims for potholes increase dramatically, in some cases to such an extent that Councils have been unable to cope with the increased workload. At Shropshire Council the number of pothole claims we received had reduced.

We still have a high repudiation rate on our Public Liability claims and this is because of the exceptional work carried out by our Highways 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 highways 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 £670,532 over the past two policy years.

It is discouraging to note that the number of reversing and manoeuvring incidents in our vehicles is still high - regardless of the preventative systems our Transport Operations Group has installed on our larger vehicles.

An additional saving of £42,600 has been made over the last three policy years by the introduction of a claim form for potential claimants to complete.

It is unfortunate that we had two major property claims during 2009/2010 as without these it had been a very quiet policy year.

The Schools' Travel Scheme continues to be successful with more schools joining the scheme again. In fact, there are only seven Shropshire Council schools that are not in the scheme.

This is the first full policy year of the new Shropshire Council and it will be interesting next year to have two full policy years to undertake a further comparison.

We would also recommend reading the more comprehensive reports listed below in conjunction with this report for a full overview of claims received by Shropshire Council:

- Highways Annual Report
- Community Services
- Development Services
- West Mercia Supplies
- Children & Young Peoples' Services
- Shire Services
- Property
- Transport Operations Group - Motor Claims