

# Report to Resources Select Committee

**Date of meeting: 7 February 2017**

**Subject: Insurance claims statistics**

**Officer contact for further information: Edward Higgins**

**Committee Secretary: Adrian Hendry**



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## Recommendations/Decisions Required:

**To note the insurance claims statistics.**

## Report:

1. The report advises the type of insurance cover, excess, number of claims and value for the last five insurance years. The insurance year for Epping Forest District Council runs from 30 June to 29 June the following year. The statistics provided are for 2011/12 to 2015/16.
2. All the statistics presented are for insurance claims which directly affect the Council, these statistics do not include policies that are recharged, such as leasehold flats, commercial properties or leased cars.
3. The Council's insurance cover is provided by Zurich Municipal.

## Insurance cover and claims statistics

4. Fleet vehicles – The Council operates a fleet of vehicles which includes vans, 4X4, tractors and ride on mowers. The number of vehicles advised to the insurer at the last insurance renewal was seventy three. The policy has Comprehensive cover, with an excess of £500.00. Table one shows claims statistics for Fleet Vehicles.

Year	Declared vehicles	Number of claims	Value of claims £
2011/12	72	12	6,317
2012/13	75	17	35,197
2013/14	69	19	16,338
2014/15	72	19	48,889
2015/16	77	24	39,489

5. General Property – General Properties are non-residential buildings, these include the Civic Offices, leisure centres, museum, depots and community halls. At the last renewal there were twenty eight General Properties with a rebuild value of £64m. Excesses range from £100 for Storm, Flood and Escape of Water, and rise to £2,500 for Subsidence.

Year	Number of claims	Value of claims £
2011/12	4	1,532
2012/13	2	52,033
2013/14	4	10,293
2014/15	4	4,739
2015/16	0	0

6. The spike in the value of claims for 2012/13 in Table 2 reflects the value of the Civic Offices Escape of Water claim.
7. Housing Property – The Council’s Housing stock currently has a rebuild valuation of over £890m. Insurance cover differs from General Properties with the most significant difference being no Subsidence cover. A £1,000 excess applies to all claims.

Year	Number of claims	Value of claims £
2011/12	6	188,051
2012/13	5	2,498
2013/14	4	14,628
2014/15	9	76,018
2015/16	6	189,243

8. Of the six claims in 2015/16 in Table 3, two claims are for extensive fire damage. Both these claims are expected to result in individual settlements of over £75,000. One claim in 2011/12 had a total claim value of £166,500.
9. Liability claims – in the last five years the Council has received the following types of liability claims; Employers’; Public; and Officials Indemnity (financial loss).
10. There was one Employers’ Liability claim in 2012/13 and a further two claims within 2015/16. The 2015/16 claims are ongoing. The Council has a zero excess for Employers’ Liability claims. Due to the sensitivity of the information, potential settlements will not be included in this report.
11. Public Liability (PL) claims can relate to property damage and personal injury. Depending of the complexity of the claims the timescale to reach a resolution can be years. Table 4 shows the claims statistics for PL claims. Repudiation is the closure of a claim without any financial settlement being made. The value column includes any reserve that the insurer is holding for any claims that remain open, so the value may alter. PL claims can be submitted many years after an alleged incident, therefore the information in Table 4 may not be the final outcome.

Year	Claims	Open	Closed	Repudiated	Value £
2011/12	43	1	42	20	36,832
2012/13	34	1	33	20	73,263
2013/14	51	2	49	40	74,941
2014/15	31	4	27	17	32,941
2015/16	30	13	17	11	61,300

12. In April 2013 the Ministry of Justice (MOJ) Reforms introduced a new way for both Public Liability and Employers’ Liability to be handled. These reforms require a claimant’s solicitor to contact the insurer directly rather than submit through the Council. This resulted in claimant’s solicitors erroneously directing claims to District Councils rather than to the highway authority (County Council). The spike in erroneous claims can be seen in year 2013/14 in Table 4.

13. Table 5 shows the types of Public Liability claims that have been received.

Year	Slip/ Trip	Personal Injury	Subsidence	Property damage	Water leak	Grass cutting	Other	Total
2011/12	7	4	4	11	8	8	1	43
2012/13	11	1	2	7	4	8	1	34
2013/14	27	2	2	10	2	8	0	51

2014/15	9	4	3	9	4	2	0	31
2015/16	10	0	6	9	4	0	1	30

14. Miscellaneous/All Risk claims - The Council insures a number of higher risk items that are either permanently fixed outside or moveable within an All Risk policy. These items include car parking machines, CCTV equipment, Museum exhibit, the Civic Regalia and the Gate Guardian at North Weald Airfield. Table 5 shows a summary of the claims. The excess varies, but is generally £100.00 per claim.

Year	Item	Value of claim £
2011/12	Museum exhibit	5,147
2013/14	Car parking machine	1,429
2015/16	Car parking machine	2,885

**Reason for decision:**

This report is to advise Members of the insurance claims statistics.

**Options considered and rejected:**

Report only

**Consultation undertaken:**

Claim data received from the Council's insurer, Zurich Municipal.

**Resource implications:**

No additional resource requirement.

Budget provision: None

Personnel: None

Land: None

Community Plan/BVPP reference: None

Relevant statutory powers: None

Background papers: None

Environmental/Human Rights Act/Crime and Disorder Act Implications: None

Key Decision reference: (if required) Not required