

COMMITTEE	AUDIT COMMITTEE
DATE	5 MAY 2016
TITLE	INSURANCE CLAIMS AGAINST THE COUNCIL
PURPOSE OF THE REPORT	PROVIDE AN OPPORTUNITY FOR THE AUDIT COMMITTEE TO SCRUTINISE THE COUNCIL'S ARRANGEMENTS FOR DEALING WITH INSURANCE CLAIMS
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1. INTRODUCTION

- 1.1 A report was presented to the February meeting of the Audit Committee outlining the insurance claims made against the Council in 2013/14 and 2014/15, showing the ones that the Council was able to defend successfully, and those where there were costs to the Council and/or the insurance company.
- 1.2 The report was in response to articles in the press following a Freedom of Information Act request.
- 1.3 This report offers an update to that item, including the relevant information for the financial year 2015/16.
- 1.4 The Audit Committee is responsible for dealing with issues relating to risk, and dealing with insurance claims is part of that. Therefore, in order to carry out its duties as "those responsible for governance", there is a need for the Audit Committee to:
 - **Accept this report which explains the arrangements within Gwynedd Council for dealing with insurance claims.**
 - **Scrutinise the arrangements that are in place, so that it is clear that the Council has procedures in place to ensure that insurance payments are appropriate.**

2. GWYNEDD COUNCIL'S ARRANGEMENTS FOR DEALING WITH INSURANCE CLAIMS

2.1 The purpose of the Insurance and Risk Unit is:

Supporting the Council's departments as they assess the threats and opportunities that they could face when providing their services and as they prioritise their activities on the basis of the assessment. Protect the interests of taxpayers by ensuring appropriate insurance arrangements and dealing with claims.

2.2 Two officers work in the unit, namely the of Insurance and Risk Co-ordination Manager, and Insurance Officer.

2.3 The table that is included in the Appendix contains details of all insurance claims settled in 2015/16.

2.4 Given the purpose of the unit, the main performance measure for demonstrating that we are achieving our purpose is **Protecting the financial interests of the taxpayer: percentage of public liability claims denied (settled for £0).**

2.5 Analysis of all public liability and employer's liability claims settled in 2013/14, 2014/15 and 2015/16 shows the following:

Public Liability

	2013/14	2014/15	2015/16
Number of Public Liability claims closed, with costs	33 (26%)	26 (22.2%)	18 (21.2%)
Number of Public Liability claims closed, without costs	94 (74%)	91 (77.8%)	67 (78.8%)
Total number of Public Liability claims closed	127	117	85

Employer's Liability

	2013/14	2014/15	2015/16
Number of Employer's Liability claims closed, with costs	5 (55.6%)	3 (43%)	2 (25%)
Number of Employer's Liability claims closed, without costs	4 (44.4%)	4 (57%)	6 (75%)
Total number of Employer's Liability claims closed	9	7	8

Public Liability and Employer's Liability together

	2013/14	2014/15	2015/16
Number of Liability claims closed, with costs	38 (28%)	29 (23.4%)	20 (21.5%)
Number of Liability claims closed, without costs	98 (72%)	95 (76.6%)	73 (78.5%)
Total number of Liability claims closed	136	124	93

2.6 **That is, in 2013/14 72%, in 2014/15 76.6%, and in 2015/16 75.5% of liability claims against Gwynedd Council were settled without costs.**

3. ROLE OF THE INSURANCE COMPANY

- 3.1 All of the cases listed in the Appendix were subject to an excess of £25,000 (with the exception of two cases dating before 1 April 2006, where the excess was £10,000). Gwynedd Council paid any costs on the individual claims up to this threshold, and our insurance company pay any amounts above that.
- 3.2 It was reported to the Audit Committee in February that the excesses of our public liability and employer's liability policies will increase to £50,000 from April 2016. On the basis of a detailed analysis of our claims history, the Finance Department came to the conclusion that it would be a reasonable step to increase the excesses in this way in order to take advantage of the much lower premium that would result. There is a possibility, of course, our costs could increase if the number of successful claims against us increases.
- 3.3 It will therefore be a continuing challenge, in conjunction with all Council services, to manage our insurable risks in order to reduce accidents and allegations of neglect, not only for financial reasons, but for the sake of our colleagues and the public.

4. RECOMMENDATION

- 4.1 The Audit Committee is asked:
- **Accept this report which explains the arrangements within Gwynedd Council for dealing with insurance claims.**
 - **Scrutinise the arrangements that are in place, so that it is clear that the Council has procedures in place to ensure that insurance payments are appropriate.**