

NORTH LANARKSHIRE COUNCIL

REPORT

To: POLICY AND RESOURCES COMMITTEE (FINANCE SUB- COMMITTEE)		Subject : PUBLIC / EMPLOYERS LIABILITY CLAIMS - POSITION AS AT 30 JUNE 2001
From: DIRECTOR OF FINANCE		
Date : 15 AUGUST 2001	Ref: JV/IRF/I-23.10	

1 Introduction

1.1 The purpose of this report is to update the Committee with details of the status of insurance claims lodged against the Authority during the period 1 April 1996 to 30 June 2001. The report is a follow up to that presented to Committee in May 2001 which detailed the status of claims at 31 March 2001.

2 Current Position

2.1 During the period 1 April 1996 to 30 June 2001, a total of 11,947 liability claims were received. These claims have been dealt with as follows:-

Public Liability

	<u>As at 30/06/01</u>		<u>As at 31/03/01</u>		<u>As at 31/12/00</u>	
Claims Paid	4190	36%	3968	35%	3676	34%
Claims Repudiated	6125	53%	5959	53%	5395	50%
Claims Outstanding	1331	11%	1322	12%	1666	16%
Total	<u>11646</u>	<u>100%</u>	<u>11249</u>	<u>100%</u>	<u>10737</u>	<u>100%</u>

Employers Liability

	<u>As at 30/06/01</u>		<u>As at 31/03/01</u>		<u>As at 30/12/00</u>	
Claims Paid	59	20%	45	17%	39	16%
Claims Repudiated	116	38%	91	34%	86	35%
Claims Outstanding	126	42%	130	49%	122	49%
Total	<u>301</u>	<u>100%</u>	<u>266</u>	<u>100%</u>	<u>247</u>	<u>100%</u>

From the above it can be seen that the improvement in the settlement position of public liability claims has been maintained. The number of public liability claims outstanding at 30 June 2001 is similar to the number outstanding at the end of the previous quarter, although as a percentage of all claims, this has reduced from 12% to 11%.

2.2 The status of all outstanding claims at 30 June 2001 is shown in the undernoted table. Details for individual years are shown in Appendix 1.

Summary of Outstanding Claims 1996/97 - 2001/02

	<u>Public Liability</u>		<u>Employers Liability</u>		<u>Total</u>	
	Total	%	Total	%	Total	%
1 Awaiting Council Report	134	10	12	10	146	10
2 Awaiting further information from Council	210	16	34	27	244	17
3 Awaiting response from Third Party / Solicitors	521	39	23	18	544	37
4 Awaiting Specialist / Medical Report	51	4	2	2	53	4
5 Claims litigated	163	12	46	36	209	14
6 Claims with Marsh	252	19	9	7	261	18
	<u>1331</u>	<u>100</u>	<u>126</u>	<u>100</u>	<u>1457</u>	<u>100</u>

3 Analysis of Outstanding Claims

The following summarises the position of outstanding claims in respect of the above categories.

- 3.1 The number of initial reports outstanding is continuing to show an improvement with a reduction from 162 last quarter to 146.
- 3.2 There has been a slight decrease in the claims for which additional information is awaited from Council departments from 262 to 244. Initial reports have been provided for all of these claims, but these reports may have raised other points for investigation or further comments may have been received from the claimant. An analysis of these claims is being carried out at present and any problems highlighted will be addressed with the relevant departments.
- 3.3 The percentage of claims outstanding where information has been requested from claimants or their Solicitor has reduced slightly to 37%. This category relates to claims that have been passed by the Council to the claims handler but require further information from the claimant to enable the claim to be assessed. Progress on these claims is therefore dependent on the claimants.
- 3.4 Only 4% of claims await specialist/medical reports and this is outwith control of the claims handlers and the Council.
- 3.5 The number of claims which are at litigation is much higher for 1996/97 and 1997/98 since many have been outstanding for more than three years. In order to continue pursuing the claim, the claimant has to instigate further proceedings.
- 3.6 Following a significant improvement in the claims with Marsh in previous quarters, the level of claims awaiting processing in this quarter has remained fairly constant.

4 Members Awareness Session

- 4.1 A Members Awareness Session was held at Strathclyde Park on 12 June 2001. This gave an overview of the Council's current insurance arrangements covering the areas of risk, cost of major policies, statistics for the first five years and explained the claims process from receipt of a claim through to the eventual outcome. It also highlighted details of the proposed improvements to liability claims handling, some of which were already underway, which should lead to a better service for the claimants.
- 4.2 A number of issues were raised during the session and these have been incorporated into an Action Plan (see Appendix 2) which it is envisaged will result in further improvement in the handling of liability claims.

5 Recommendation

- 5.1 Members are asked to note this position.



DIRECTOR OF FINANCE

TABLE 1	<u>Public Liability</u>		<u>Employers Liability</u>	
	1996/97 to 1998/99	%	1996/97 to 1998/99	%
1 Awaiting Council Report				
2 Awaiting further information from Council	10	5	3	9
3 Awaiting response from Third Party / Solicitors	60	30	2	6
4 Awaiting Specialist / Medical Report	8	4		
5 Claim litigated	112	55	27	82
6 Claims with Marsh	13	6	1	3
	<u>203</u>	<u>100</u>	<u>33</u>	<u>100</u>

TABLE 2	1999/00		1999/00	
		%		%
1 Awaiting Council Report	5	4		
2 Awaiting further information from Council	38	17	6	22
3 Awaiting response from Third Party / Solicitors	109	47	8	27
4 Awaiting Specialist / Medical Report	11	5	2	7
5 Claim litigated	34	10	12	41
6 Claims with Marsh	49	17	1	3
	<u>246</u>	<u>100</u>	<u>29</u>	<u>100</u>

TABLE 3	2000/01		2000/01	
		%		%
1 Awaiting Council Report	60	17	10	18
2 Awaiting further information from Council	122	21	23	40
3 Awaiting response from Third Party / Solicitors	273	39	12	21
4 Awaiting Specialist / Medical Report	25	3		
5 Claim litigated	15	1	7	12
6 Claims with Marsh	113	19	5	9
	<u>608</u>	<u>100</u>	<u>57</u>	<u>100</u>

TABLE 4	2001/02		2001/02	
		%		%
1 Awaiting Council Report	69	25	2	29
2 Awaiting further information from Council	40	15	2	29
3 Awaiting response from Third Party / Solicitors	79	28	1	13
4 Awaiting Specialist / Medical Report	7	3		
5 Claim litigated	2	1		
6 Claims with Marsh	77	28	2	29
	<u>274</u>	<u>100</u>	<u>7</u>	<u>100</u>

LIABILITY CLAIMS HANDLING

IMPROVEMENT ACTION PLAN

	<u>TARGET DATE</u>
1. Provide update note to Directors regarding delays in receipt of reports for liability claims. In the first instance this will relate to all claims outstanding for more than three months	31 August
2. Provide note to Directors regarding delays in receipt of requests for further information for liability claims.	30 September
3. Insurance staff to visit Departments where there are problems with the quality of reports and provide training on what information is required to enable claims to be processed timeously.	Commenced: June 2001 Complete: October 2001
4. Contact Director of Housing and Property Services to examine the means of encouraging tenants to participate in Tenant's Contents Insurance Scheme. (Council cannot be held responsible for damage arising following negligent acts of tenants, e.g. washing machines overflowing and causing damage to downstairs property.)	31 August
5. Monitor the performance of PPPs in settling claims and continue to assist claimants who are having difficulties with claims against PPPs.	Ongoing