

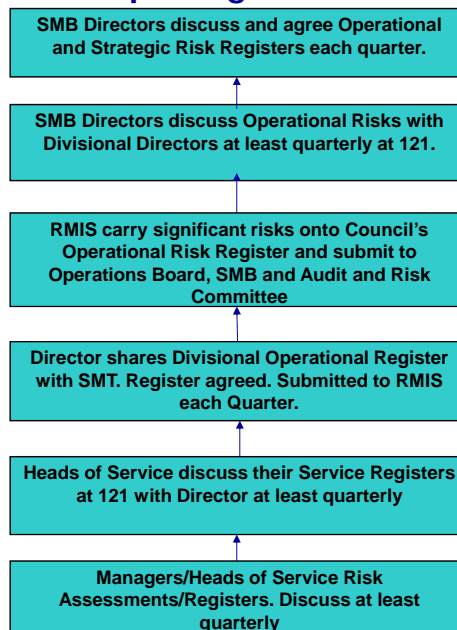
Risk Management Strategy and
Reporting Process
Insurance Policies and Claims
Handling

Risk Management Strategy and
Reporting Process

Leicester City Council's Agreed Strategic Risk Reporting Structure

- At the beginning of each Financial Year/when Strategic Objectives are set, the Strategic Management Board (SMB) members discuss the risks to the Council's Objectives and formulate its Strategic Risk Register (SRR);
- Every quarter, the SRR is reviewed and updated individually by SMB members and is brought to the first SMB meeting in February, May, August and November for collective agreement;
- At those same, quarterly meetings the Council's Operational Risk Register is reviewed, discussed and agreed, with the impact on strategic objectives of the most significant of these operational risks being considered.

Leicester City Council's Agreed Operational Risk Reporting Structure



Leicester City Council's Agreed Operational Risk Reporting Structure

- Those responsible for delivery of a service or contract, or are managing change within a team or department, should complete a risk assessment/maintain a risk register;
- At least once a quarter staff should discuss their risks with their line manager;
- At least once a quarter, each Head of Service should discuss their service area risks at their 121 with their Divisional Director;
- Following these discussions the Divisional Director will compile their Divisional Operational RR and agree this with their Management Team (and Strategic Director);
- At the end of January, April, July and October the Divisional Operational Risk Register comes to RMIS;
- The significant risks are taken from each Division's register to form the Council's Operational Risk Register.

Insurance Policies and Claims Handling

Types of Policies

- Public Liability
- Employers Liability
- Motor & Plant
- **Property**
- School Contents
- Business & School Travel
- Personal Accident
- Professional Negligence
- Money
- Commercial Leased
- Officials Indemnity
- Right to Buy & Mortgage
- Employee Compensation Scheme
- Computers
- Foster Cover
- Members Indemnity
- Terrorism
- Fidelity Guarantee
- Museum All Risks

Insurance Claims

Acknowledgement – 7 days

Investigation – 3 months

Liability Accepted

- Medical Report (3-12 months)
- Proof of Specials
- Offer and negotiation
- Possible quantum trial
- Payment (6 – 48 months)

Claim Repudiated

- Repudiation accepted or
- Proceeds to trial
- Trial listings 3-9 months
- Frequently adjourned
- Time line (6 – 60 months)

To Pay or Not To Pay

- If LCC liable – we settle immediately
- If LCC not liable - we defend
- Use of CLEAR (detail on next slide) risk assessment to assist in determining liability
- Decision taken in partnership between legal advisors, RMIS, insurers and other LCC internal departments

CLEAR

- **C**ombined **L**egal and **E**conomic **A**ssessment of **R**isk
- Factors in legal opinion, our views, insurers opinion, value of claim, reliability of witnesses, availability of documentary evidence
- Presents a numerical 'score' – professional opinion of lawyers can over-ride!

In Money Terms

- 2001/03 – LCC paid £1.1m on EL Claims
- 2009/11 – LCC paid £153k on EL Claims

- 2001/03 – LCC paid £2.3m on PL Claims
- 2009/11 – LCC paid £1.2m on PL Claims

- As a result of above reduced insurance premium in 2008 by £3.8M over 5 years of contract and a further £350K over 5 years of contract in 2013.

Successes

- 77% of all claims successfully defended
- 93% Success rate in courts (was 50% 2001-2005)
- Each case lost in Court costs LCC on average £28,000 in costs
- Won 55 more cases 2008/12 than in the period 2001/05 (could equal £1.54M savings)

Flagship

Our claims handling model (CLEAR) presented at:

- **Chartered Insurance Institute – 2010**
- **Alarm International Conference – 2011**
- **Alarm SE Conference – 2011**
- **Browne Jacobson's Claims Club – 2012**
- **Essex County Council - 2013**

QUESTIONS?