

LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Chair and Members of the Audit and Governance Committee

Meeting: 28 July 2021

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: Yes

KEY DECISION No

REPORT OF DEPUTY CHIEF LEGAL OFFICER

Insurance Claims Review – July 2021

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide a review of insurance claims for Merseytravel and the LCRCA during the period 1 July 2020 – 30 June 2021.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Liverpool City Region Combined Authority:
- (a) Note the report; and
 - (b) approve the submission of the report to the Audit & Governance Committee of the Combined Authority and to the Audit Risk and Governance Board of Merseytravel for their consideration.

3. BACKGROUND

- 3.1 This report has been prepared following a recommendation from the Head of Internal Audit which specifically requested that the following information be reported annually to the Audit & Governance Committee of the Combined Authority and the Audit Risk and Governance Board of Merseytravel:-
- (a) insurance claims received for the period 1 July 2020 to 30 June 2021;
 - (b) defensibility rates;
 - (c) levels of fraudulent claims; and
 - (d) any specific financial implications arising from the above.

3.2 Personal Injury Claims received for the period 1 July 2020 to 30 June 2021

8 personal injury claims were received in total during the year. These are broken down into insured risk (7) and un-insured risk (1). Details are set out in the Appendix to this report.

3.3 Motor Claims received for the period 1 July 2020 to 30 June 2021

There have been 7 motor damage claims received in total during this period. These are broken down into fault claims (3) and non-fault (4) claims. Details are set out in the Appendix to this report.

3.4 Defensibility Rates

Out of the 8 personal injury claims made in this period 1 has been successfully rejected. The defensibility rate so far in the past year was 12.5%. There are a number of cases that are ongoing so the 12.5% may increase depending on the outcome of the other 7 that have arisen in the last year. Often cases take a considerable time to resolve especially if they proceed to court. Officers are also very challenging on costs claimed by solicitors.

3.5 Levels of Fraudulent Claims

There have been no known fraudulent claims. Insurers have a process in place to be able to recognise fraudulent claims to support the internal officers.

3.6 Financial Implications of Claims

The table below sets out damages paid out for personal injury claims during the period. Reserve figures are also detailed.

<u>Claim ref</u>	<u>Recommended Reserve</u>	<u>Damages paid</u>	<u>Costs</u>	<u>Total</u>
RSN20879	£1,000	£6,800	£3,888	£10,618
RSN21470	£0	£0	£0	£0
RSN21494	£0	£0	£0	£0
RSN22104	£0	£9,000	£0	£9,000

The table below sets out damages paid out for motor damage claims during the period. Reserve figures are also detailed

<u>Claim ref</u>	<u>Recommended Reserve</u>	<u>Damages paid</u>	<u>Costs</u>	<u>Total</u>
RSN21099	£1,000	ongoing	£0	£0

4. RESOURCE IMPLICATIONS

4.1 Financial

Details of claims paid out during the year are indicated in the table above. There is currently an excess of £25k in respect of public liability and property damage insurance so any claims received below the excess are deemed self-insured. There is a nil excess for employers liability claims so all claims are paid for by insurers. Excess for motor damage claims is £5k so any claims below this are deemed self-insured. There is no policy in place in respect of Industrial Disease claims prior to 31 March 1986 so the organisation carries its own risk in this regard.

4.2 Human Resources

There are no direct issues arising from this report.

4.3 Physical Assets

There are no direct issues arising from this report.

4.4 Information Technology

There are no direct issues arising from this report.

4.5 Programme Management Office (PMO)

There are no direct issues arising from this report.

5. LEGAL IMPLICATIONS

5.1 There are no direct issues arising from this report.

6. RISKS AND MITIGATION

6.1 The organisation has an adequate insurance programme in place which mitigates the risks of significant claims against the organisation. All of the measures that have been implemented within the organisation have helped to keep these claims low on an annual basis. Out of the 7 personal injury claims received, only 4 are actual injury claims 2 are property damage and 1 is a claim for false imprisonment and assault. Out of the 7 motor damage claims reported 4 of them were non fault so any costs for damage to our vehicles will be recovered by the third party (where known).

6.2 In order to mitigate the risks, feedback is provided to the relevant departments of the organisation to ensure that if there are any issues they can be remedied to prevent further claims.

7. EQUALITY AND DIVERSITY IMPLICATIONS

There are no direct equality and diversity issues arising from this report.

8. PRIVACY IMPLICATIONS

There are no direct privacy implications arising from this report.

9. COMMUNICATION ISSUES

There are no direct communication issues arising from this report.

10. CONCLUSION

A periodic review of claims received between 1 July 2020 to 30 June 2021 has been undertaken.

This report highlights the insurance claims received for this period, the defensibility rates, the levels of fraudulent claims and the financial implications of these.

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Appendices:

Appendix One – Schedule of Claims

APPENDIX

SCHEDULE OF CLAIMS

<u>Policy</u>	<u>Insured Risk</u>	<u>Details</u>
Public liability	Yes	Claimant was injured when staff member drove over foot in scissor lift
Public liability	Yes	Claimant tripped at Prescott Bus Station Layover area
Employer liability	Yes	Claimant alleges Noise Induced Hearing Loss
Public liability	No	Boundary Wall collapsed
Public liability	Yes	Claimant vehicle damaged by tunnels sign
Public liability	Yes	Claimant injured due to an electrical flash
Public liability	Yes	Claimant alleging false imprisonment, assault and battery by MTP
Public liability	Yes	Damaged Star Wars memorabilia at Spaceport exhibition
Motor claim	Yes	Employee collided with third party at junction
Motor claim	Yes	Employee vehicle hit in rear by third party vehicle
Motor claim	Yes	Employee mis-fuelled own vehicle
Motor claim	Yes	Third party collided with employee vehicle
Motor claim	Yes	Employee hit third party while doing 3 point turn
Motor claim	Yes	Third party reversed into employee vehicle
Motor claim	Yes	Third party caused damage to unattended employee vehicle