

# Insurance Update

Corporate Policy & Scrutiny  
Committee

27 June 2024

# Insurance Introduction

## Claims Handling

- Claims are handled in house by the Insurance team and
- Litigated claims are handled by Essex Legal Services.

## Insurance Fund

- We don't insure our full liability – many policies have a £500,000 'deductible' (excess) which we have to pay for ourself.
- We have a fund to pay for the 'uninsured' element of all the claims.
- There is currently £31.371m in the insurance fund.
- We have an actuarial review annually to ensure we have sufficient funds

## Procurement of policies

- The larger policies are on a Long Term Agreement and are tendered every 5 years.

## Insurance Broker

- ECC procures an insurance broker to assist with the procurement of insurance policies and to ensure we have adequate cover in place.

# Insurance Policies

These are the main insurance policies that ECC purchases.

Class of Business	Annual Premium	Notes
Property including Business Interruption	£605,055	£500,000 deductible
Terrorism (property damage)	£70,759	£150,000 deductible
Public Liability (PL) Employers Liability (EL)	£514,987	£1.5m deductible (PL) £1.2m deductible (EL) £50m limit of indemnity
Lease Motor Fleet	£302,059	£150 deductible
General Motor Fleet	£57,547	£25,000 deductible
Waste Motor Fleet	£50,685	£10,000 deductible
Fidelity Guarantee	£25,760	-
Personal Accident & Business Travel	£27,577	-

We also procure an engineering inspection contract to manage our risks eg lifts etc. This is a statutory requirement.

# Payments made on claims

Policy	21/22	22/23	23/24
Property	£535,845	£1,714,488	£700,852
Public Liability excluding Highways	£959,343	£1,641,554	£337,475
Employers Liability	£141,668	£202,098	£252,187
General Fleet Motor	£102,154	£171,509	£141,316

# All Highways Claims

Date	No of Claims	Highways areas with highest number of claims	Repudiation Rate
Q1 2021/22	461	Epping Forest, Basildon	93%
Q2 2021/22	423	Epping Forest, Basildon	95%
Q3 2021/22	412	Epping Forest, Chelmsford	94%
Q4 2021/22	608	Epping Forest, Basildon	93%
Q1 2022/23	432	Epping Forest, Basildon	94%
Q2 2022/23	285	Epping Forest, Basildon	95%
Q3 2022/23	380	Epping Forest, Basildon	95%
Q4 2022/23	1133	Epping Forest, Basildon	90%
Q1 2023/24	934	Epping Forest, Basildon	87%
Q2 2023/24	481	Epping Forest, Chelmsford	90%
Q3 2023/24	634	Epping Forest, Chelmsford	95%
Q4 2023/24	1128	Epping Forest, Colchester	93%

# Highways Claims

		Claims Received		Payments made	
01.04.20- 31.03.21	Footway	303	Admitted	25	£ 634,066
			Denied	265	
	Carriageway (exc veh pothole)	175	Admitted	1	£ 387,767
			Denied	146	
	Misc Other	128	Admitted	15	£ 431,195
			Denied	84	
	Vehicle Pothole	916	Admitted	31	£ 193,293
			Denied	787	
01.04.21 - 31.03.22	Footway	298	Admitted	29	£ 1,460,226
			Denied	256	
	Carriageway (exc veh pothole)	247	Admitted	4	£ 44,263
			Denied	216	
	Misc Other	114	Admitted	3	£ 267,707
			Denied	92	
	Vehicle Pothole	1278	Admitted	46	£ 233,055
			Denied	1076	
01.04.22 - 31.03.23	Footway	307	Admitted	20	£ 1,169,825
			Denied	266	
	Carriageway (exc veh pothole)	218	Admitted	8	£ 56,081
			Denied	195	
	Misc Other	98	Admitted	8	£ 213,458
			Denied	54	
	Vehicle Pothole	1680	Admitted	98	£ 151,864
			Denied	1352	
01.04.23 - 31.03.24	Footway	292	Admitted	14	£ 783,559
			Denied	230	
	Carriageway (exc veh pothole)	227	Admitted	2	£ 131,438
			Denied	176	
	Misc Other	155	Admitted	1	£ 197,033
			Denied	49	
	Vehicle Pothole	2585	Admitted	93	£ 308,693
			Denied	1783	

**NB:** Payments made are all payments made in this period irrespective of when the claim was received.

# Highways Statutory Defence

As a Council we have statutory defences available to us:

S41 of the Highways Act 1980

S58 of the Highways Act 1980

- A claimant must prove that the defect that caused their injury/damage was dangerous.
- Even if the defect is dangerous we can still rely on the statutory defence in section 58 of the Highways Act if we have done all that was reasonably practicable to prevent the highway from reaching a dangerous state.
- To establish this we refer to:
  - Routine inspections which are either done monthly, quarterly or annually depending on the category of the carriageway/footway/PROW.
  - The responsive inspections of dangerous issues reported to us.

Once a claim is received the defect is risk assessed by a highways inspector.