



Annual Awards 2011 Entry Form

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Please tick the relevant box below to indicate which category you wish to enter

Risk Manager of the Year	<input type="checkbox"/>	People Risk	<input type="checkbox"/>	Community Risk	<input type="checkbox"/>
Operational Risk	<input checked="" type="checkbox"/>	Strategic Risk	<input type="checkbox"/>	Risk Management Young Achiever of the Year*	<input type="checkbox"/>

*Applicants for Risk Management Young Achiever of the Year should indicate their date of birth here:

N.B. If you wish to enter more than one category, a separate entry form is required for each category.



Executive Summary

Please type your executive summary here. The summary should be no more than 500 words. Please use Arial font, size 11, at 1.5 line spacing. Use additional spacing between paragraphs.

Alarm Award Entry - Operational Risk

A Risk Managed Approach to dealing with Insurance Claims

In June 2007 the London Borough of Bromley appointed Andrew Rooke into the role of Insurance and Risk Manager.

Andrew had previously held a similar role at Slough Borough Council and during the recruitment process we were impressed by his track record in respect of fraud investigations. It was clear that he had strengths in investigating insurance claims.

We know from his experience that, especially at times of recession, statistics demonstrate that there is a significant amount of fraud, from totally fictitious claims to exaggerated ones. These obviously have a significant impact on resources and diverting substantial funding away from vital frontline services.

In view of this, Andrew set himself an objective to implement a risk managed approach to dealing with insurance claims across the London Borough of Bromley's varied portfolio of insurances.

As part of this, he carried out a review of the existing arrangements and made some very challenging changes. As part of the risk managed approach to dealing with insurance claims, Andrew identified two main areas of concern and these were highways public liability claims and property claims.

Prior to 2007 claims were being handled purely via desktop with little or no interaction with customers or other departments.

Andrew implemented a system whereby the insurance team became pro-active in investigating claims and an example of this is that every property claim is now investigated at the time of notification. Highways claims are also thoroughly investigated and all highways inspectors are trained in processes related to insurance and risk management,



Executive Summary

including giving evidence in Court. For property claims, Andrew introduced some small but subtle changes to encourage property managers to be more accountable and implement a risk managed approach to property management.

Results

By making some small but effective changes, the number of property claims has plummeted to a record low. In addition, the amount of compensation paid to highways public liability claimants for incidents in 2010/11 has plummeted by more than 99% when compared with both 2005/06 and 2006/07. These savings have also had a knock on effect by reducing our insurance premium by over half a million pounds.

Please write your main submission here. The submission should be no more than 1500 words. Please use Arial font, size 11, at 1.5 line spacing. Use additional spacing between paragraphs.

Introduction

In 2007/08 London Borough of Bromley appointed Andrew Rooke to the position of Insurance and Risk Manager and he introduced a risk managed approach for dealing with insurance claims with the following objectives.

1. To reduce the number of claims received,
2. To reduce the amount of money being paid from the insurance fund for claims,
3. To investigate claims more effectively (including fraud identification), and
4. To make Bromley a safer environment for all who use it.

Specifically, as part of this process, two main areas of concern were identified; highways public liability claims and property claims.

Highways

Using 2005/06 and 2006/07 as a guide for measuring performance, the London Borough of Bromley paid over £200,000 for highways public liability claims in each of these years. The main overarching objective was to be able to defend more claims and this was achieved through a combination of risk management processes.

Training

Specifically, mandatory insurance and risk management training was provided for all highways inspectors and this included a mock trial situation which was facilitated in a three way partnership with Barlow Lyde and Gilbert Solicitors, together with Travelers Insurance joining the London Borough of Bromley. The feedback from this training session was quite transforming with highways inspectors feeling more empowered and they recognised that they played an important role. Whilst the training provided a true insight into the process of giving evidence in Court, the highways inspectors all felt that this was something to avoid and the best way of achieving this is to prevent the incidents happening in the first place.

Technology (Quality)

Our Highways moved into the 21st century and brought in digital cameras for highways inspectors. We also introduced more stringent quality checks on our contractors carrying out repairs to the highway and they were encouraged to use the most effective materials available rather than the cheapest. This has resulted in fewer call backs and the end result has been a saving within the highways maintenance budget. In addition, we introduced an incentive scheme for highways whereby, if the highways inspector had made an error of judgment, which resulted in a successful claim, the inspector had a meeting with his or her line manager and the insurance and risk manager to go through lessons to be learned.

The insurance section also updated their technology by updating their LACHS system and provided staff training on how to use this system more effectively. This included adding a field for notifying all users whether a claim was under investigation for fraud.

Administration (Claims Process)

One significant change introduced was to revamp the form completed by claimants seeking compensation and ask a lot more questions of the claimant, or their legal representative. In addition, for each claim received via solicitors, we telephone them and explain that we were investigating the claim. In addition to going into more detail about the claim and the claimant, we also ask for details of the chain of people involved between the claimant and their legal representative, or who had referred the case to them. We explain our reasons for this and point out that if we suspect fraud, or something spurious about the claim, we would let them know so that they could make an informed decision whether to continue with the case or not. A major objective behind this is to eliminate the organised fraud such as the well publicised situation which involved The Accident Group (TAG). We also record which solicitors are sending the claims to us and where in the country they are located. At the same time we are profiling all the claims received in more detail than you could imagine. From occupation to where they live, who they lived with, who there GP was, any witness information, the injury type, even the type of defect. Having gathered the extra information, we then log this on Excel spreadsheets in order to spot trends. We have a policy whereby 1 claim is unique, 2 claims are a trend. Trends are investigated more thoroughly. The more claims within a trend, the greater the investigation.

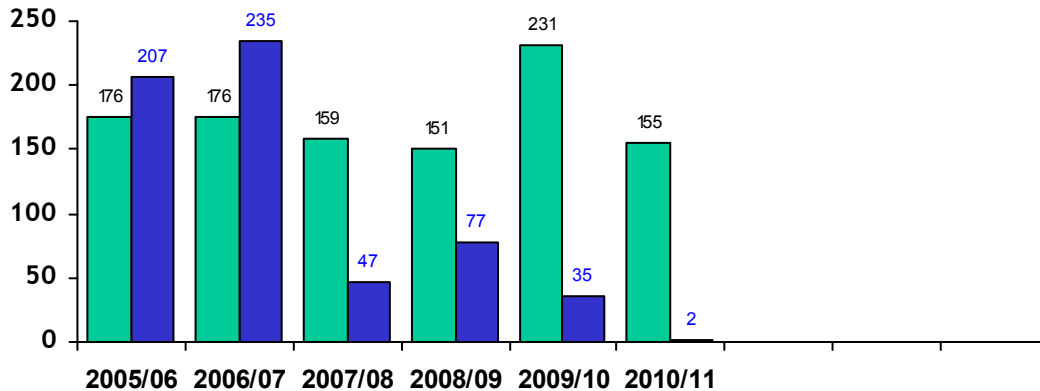
Teamwork / Partnership working / Communication

In order to achieve the objectives, it was important to recognise the importance of teamwork and this is magnified by the fact that the insurance team now only has one full time employee and 3 part time employees. The key to success having the right people in the right role. Of significant importance to this project was the ability of the insurance team to communicate and work in partnership with both internal departments, such as benefits and internal audit and external organisations, such as Police, Fire service, Hospitals / medical practitioners, insurance companies and loss adjustors. As part of our insurance communication strategy, we also share and receive information with other local authorities, contractors and utility companies. Another key component of this strategy is that we are able to communicate with the claimant solicitors and let them aware of any concerns that we have and this is very much appreciated by the majority of solicitors as it enables them to focus their resources as appropriate.

Results

Using 2005/06 and 2006/07 as our benchmark for performance management, the results achieved have been quite remarkable. In 2007/08, the number of claims decreased by 10% and decreased again in 2008/09. Whilst the number of claims increased in 2009/10 and is expected to remain high in 2010/11, we know that the reason for this is due to bad weather incidents in these years. In terms of the amount of compensation paid, this has dropped significantly with at least 62% saving achieved every year. In 2010/11, we have paid less than £2,000 in compensation so far and this represents a 99% reduction on the base years. The chart below demonstrates the number of claims and the amount of compensation paid.

Number of Claims received and cost (£'000s) of Highways Public Liability Claims



Conclusion

Having a risk managed approach has resulted in a significant saving for the insurance fund. In addition, the London Borough of Bromley recently undertook a tender exercise for its liability insurance and this has resulted in a saving of more than £500,000 for the Council and premium rebates for our low claims ratio.

Property

Introduction

The London Borough of Bromley carries a deductible ranging from £100,000 to £250,000 on all classes of property insurance. Between 1999 and In 2006, the insurance department received an average of 126 claims per annum at an average cost of over £285,000 per annum. In 2006/07, the number of claims reduced to 95 claims but the cost went up to more than £563,000. By 2007/08, the number of claims went back up (to 134) and the cost came back down to £362,000.

During 2007/08, the property claims were monitored by the new insurance and risk manager and at the end of this period, he summarised the position in that he felt that property managers were not acting responsibly enough and were failing to look after property and this was leading to incidents and claims that could be avoided. The type of claims being received was wide and varied from thefts to burst pipes. As a result, changes were implemented. These changes started with introducing a departmental excess of

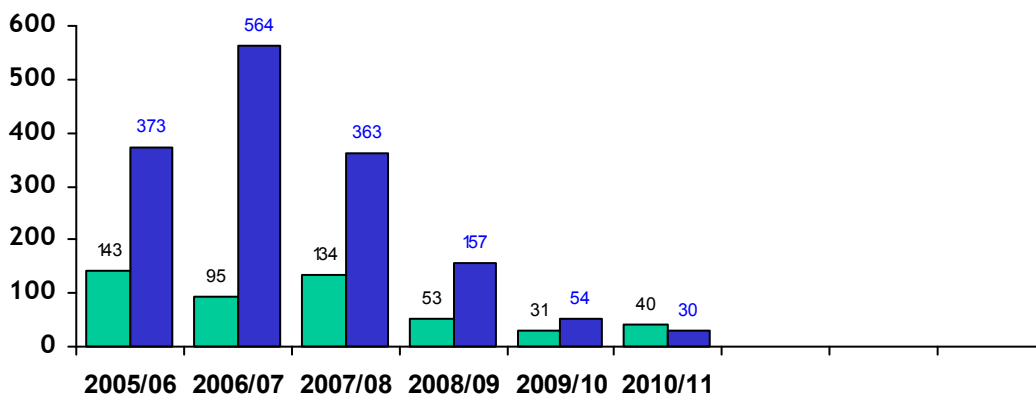
£500.00 for all property related claims. In addition, the property managers were provided with a number of risk management briefings. These included advice about security, theft of lead and prevention of burst pipes during cold weather. Whilst many property managers were not happy with the initial decision to impose an excess, they were also aware that those departments with fewer or no claims would pay a smaller contribution towards the cost of insurance. In essence, property managers were motivated to look after their property.

Results

The number and cost of claims dropped significantly since these simple risk managed changes were introduced. This has allowed the insurance section to make further changes and these now include day one site visits to property related incidents. This means that we are committed to attending a site at the time of notification where appropriate. This is very much appreciated by property managers as it speeds up the claims process significantly and results in savings. For example, we attended a school recently, which had been damaged by water from a burst pipe and were able to give advice about extra de-humidifiers and quantify the loss at an early stage. This enabled the school to have the classrooms back open a lot sooner than would otherwise have been the case.

The chart below shows the number of claims and their cost by year and demonstrates the value of having a successful risk managed approach.

Number of Claims received and cost (£'000s) of Property Claims





Main Submission

Conclusion

Having a risk managed approach has resulted in a significant insurance fund saving that has enabled the insurance and risk management section to be pro-active in incident management and risk advice.