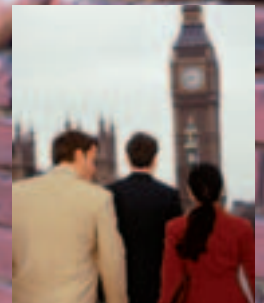
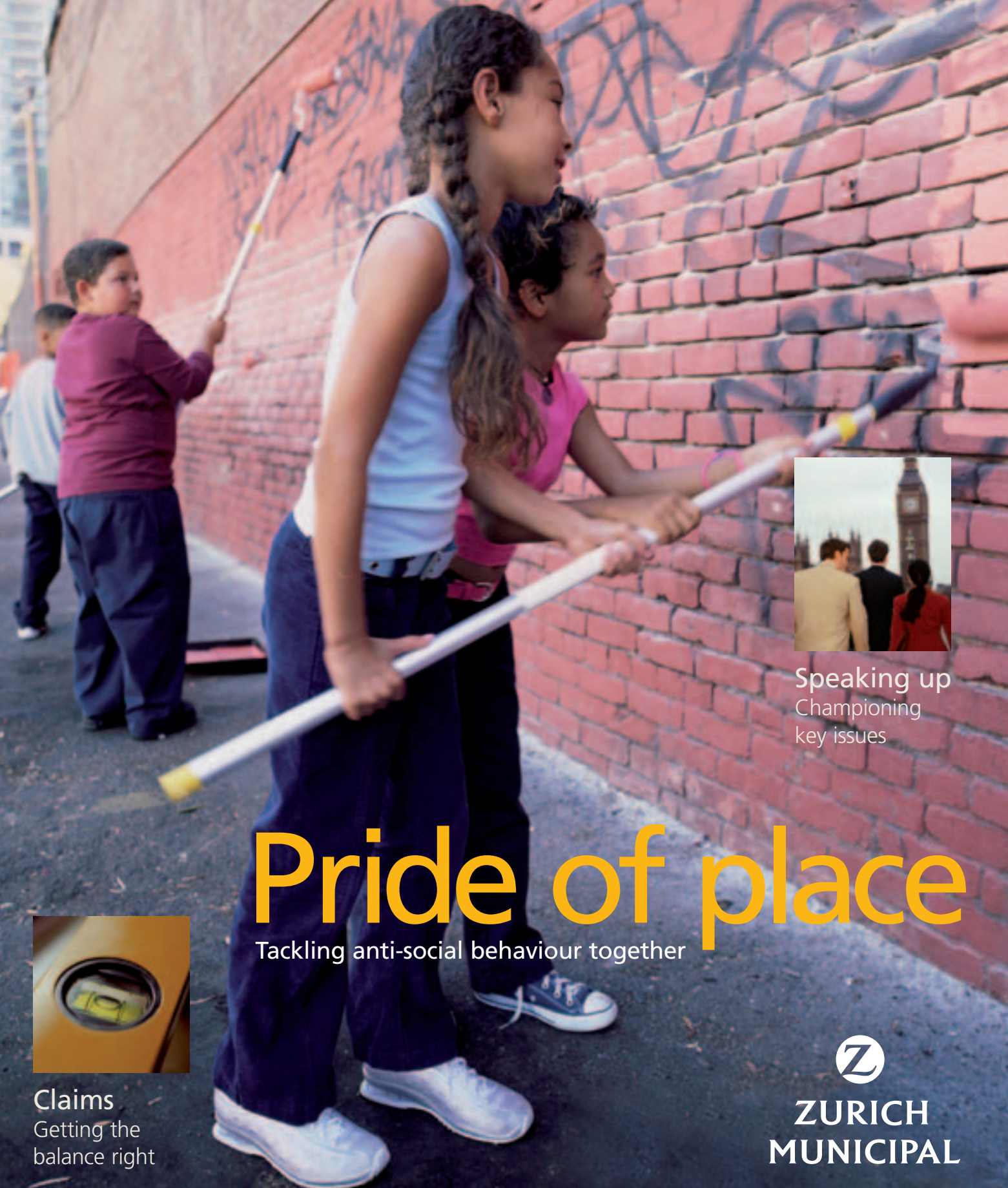


news & views

TAKING AN EXPERT LOOK AT TODAY'S RISKS

Summer 2006



Speaking up
Championing
key issues

Pride of place

Tackling anti-social behaviour together



Claims
Getting the
balance right



ZURICH
MUNICIPAL

NEWS

04: NEWS IN BRIEF
A round up of the latest issues



07: A GOOD CAUSE
How Zurich staff help the local community

21: SCHOOL FIRES
A look at the latest figures

RISK MANAGEMENT

06: PROTECTING LARGE SCULPTURES
How to deter thieves



08: HEALTH & SAFETY
Are organisations doing enough?

10: ANTI-SOCIAL BEHAVIOUR
How to reduce its impact

13: PANDEMIC FLU
Are you ready?



16: MEMORIAL SAFETY
A look at new guidance from the Local Government Ombudsman

17: FRAUD
A round up of what's happening in the fraud arena



20: PROPERTY CLAIMS
Should you be doing more to protect your property?

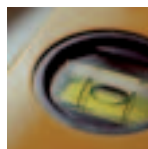
GOVERNMENT

18: A STRONG VOICE
The role Zurich Municipal plays in key industry issues



22: FIRE REGULATIONS REFORM
How the new legislation will affect you

INSURANCE



14: DEFENDING CLAIMS
Taking a balanced view

To find out which articles are relevant to your organisation simply look at the symbols at the top of each page



Health



Education



Social housing



Local authority



Community



Leading the way

As pioneers of insurance and risk management within the public sector, Zurich Municipal is committed to tackling issues that impact insurers and customers alike. We take this responsibility extremely seriously and our expertise and data continues to be used to inform debates and aid decision making within key areas such as combating fraud and school arson, addressing the growing compensation culture and managing the impact of new legislation.

In particular, over the last few years we have focused our efforts on combating school arson and in this edition of News & Views a number of our articles reflect the ongoing work we are undertaking in this area. From our successful partnership with the Fire Service in launching our Arson Combated Together (ACT) programme, through to our role in Central Government discussions around the implementation of sprinklers in schools, it is encouraging to see we are beginning to see the benefits of our commitment in this area.

Moving on, over the last twelve months there has been a significant increase in the level of

interest and media attention surrounding anti-social behaviour. While we are well aware of the impact that crime and disorder causes in financial terms, often it is the lasting damage on the community that goes unnoticed. Our article considers how sustainable communities can be created through the development of robust safety strategies and action plans. We also outline the risk management actions that can be implemented to reduce the level of crime in an area and introduce our 'Crimeline' service, which has been launched to help combat anti-social behaviour. Please contact us if you would like any further information on the issues contained in this article.

Finally, I am delighted to introduce Paul Emery who has been appointed Head of Charities and Voluntary Sector. With our ongoing focus on understanding customers' needs and requirements, Paul will play a lead role in delivering innovative insurance and risk management solutions to customers within this enterprising sector.

Guy Munnood



Each year The Charities Aid Foundation delivers this Government-funded initiative and Zurich are proud to be one of the sponsors in 2006.

During National Giving Week, which runs from 16-22 October 2006, a range of promotional events and charity prize draws help publicise the benefits of giving to charity and encourage people to make their giving tax-efficient.

This year's theme is 'Give it up for' and you can find out more about how to get involved at www.giveitupfor.org

Risk assessment guide revised

The Health and Safety Executive (HSE) has issued a revised risk assessment guide featuring examples of what is, and isn't, expected from risk assessments.

The guide is available from www.hse.gov.uk

A guide to Health and Safety

The Health and Safety Executive (HSE) has issued 'Charity and voluntary workers – a guide to health and safety' which is the result of a joint project with the Charities Safety Group (CSG), and the Institution of Occupational Safety and Health (IOSH).

The guide includes details of legal duties, how to manage health and safety and how to assess risks. Among other things, the book deals with driving and transport, fire safety, fundraising, lone working, violence at work and supervision and training.

For more information visit www.hse.gov.uk



Report recommends sprinklers in schools

The Communities and Local Government Committee has published a report on The Fire and Rescue Service. Amongst other issues the report addresses the issue of sprinklers in a section entitled 'Sprinklers in schools – the review of building regulations on fire safety'.

Within that the Committee states that it

"strongly supports the campaign for sprinklers to be fitted in all new and renovated schools."

For more information about the latest published costs of school fires see Page 21.

To view the full report visit: http://www.parliament.uk/parliamentary_committees/clg.cfm

Outstanding Public Servant of the year 2006

Zurich Municipal was delighted to sponsor Outstanding Public Servant of the Year 2006 as part of the Public Servants of the Year Awards, which were held on 17 May 2006. This is a tremendously important initiative, and a very welcome opportunity to focus on and celebrate the achievements of public services.

The Public Servants of the Year Awards recognise the success of both individuals and teams from across public services. It is vital to acknowledge the contribution of all those who are driving forward change and showing innovation and adaptability in meeting their customers' needs.

Anthony Vanterpool, known as Swifty, won two awards on the evening, including the Outstanding Public Servant of the Year. He is a frontline youth worker with the Connexions service at Skelmersdale, Lancashire, and has changed many young lives for the better.

Swifty's work with vulnerable young people has ensured that even the most challenging among them feel valued and useful, helping many on the path to adulthood. His approachability, professionalism and ability to motivate young people has stopped many from falling through the net. He has organised work and college course placements for youngsters and persuaded head teachers to give young people who were in danger of being excluded another chance stay in school.



He has also helped others to get the guidance and support they need to overcome personal difficulties. Swifty's willingness to go way beyond the call of duty has opened up a range of opportunities for young people in Skelmersdale and helped many of them to realise their potential.

For more information about the awards and the winners visit www.publicservants.org.uk

New EU Food Hygiene Regulations

New food hygiene laws, The Food Hygiene (England) Regulations, came into force in the UK in January 2006. They affect all food businesses including caterers, primary producers (farmers), manufacturers, distributors and retailers.

A pack entitled 'Safer food, better business' has been developed by the Food Standards Agency (FSA) to help food premises comply with the new regulations. The pack is free and can be obtained from local Environmental Health Departments and the FSA.

For more detailed guidance and information contact your local Environmental Health Department. For details of other Food Standards Agency publications visit www.food.gov.uk/catering or call 0845 606 0667.

Paul Emery leads Zurich's third sector solution



Zurich has enhanced its charities and voluntary organisations proposition, led by Head of Charities and Voluntary Sector, Paul Emery. Following a complete review of its product offering to the sector, Zurich has identified ways to improve value and offer more choice to customers.

"Zurich has nearly 100 years' experience dealing with organisations who deliver public benefit, so our involvement with the sector is nothing new," said Paul. "In fact, historically, we have been there for a number of charities whose insurers had focused on other markets. At the heart of this approach, however, is recognising the different requirements of charitable organisations as affected by size, type of activity and even how they prefer to access services. It is about acknowledging these differences and recognising them within the creation of our new solutions."

To determine requirements and gain a deeper insight into emerging issues and future trends, Zurich has worked closely with sector stakeholders including the Association of Chief Executives of Voluntary Organisations (Acevo). Zurich has also created

specialist teams focusing exclusively on customer needs to ensure its offering can adapt to a changing environment.

"Emerging factors, such as the increasing third sector role in delivering public services on a contracted basis, can mean customers need to revisit their risk exposure and breadth of cover," Paul continued. "Additionally, we are aware that many charities face challenges with attracting volunteers from a diverse range of backgrounds. Our insurance products and approach to risk is about facilitating this for our customers rather than putting barriers in their way. We understand that risk is a part of life and encourage charities to take a positive and managed approach rather than limiting the scope of their activities.

"Innovative insurance and risk management solutions are increasingly necessary for this enterprising sector. From experience, we know that change in infrastructure or activities and an increasing reliance on partnerships can mean there are often complex insurance requirements to address. It is vital, however, not to lose sight of the importance to many customers of a simple, high-value insurance package. We exist to make life easier for our customers. The time they save on arranging simple insurance cover and effectively managing risk enables them to concentrate on delivering their organisations' goals and objectives."

"I'm excited to be leading Zurich's charities business," he concluded. "We have built on our depth of knowledge and expertise in this sector to provide solutions that are based on understanding the customer."

For more information please email zurichthirdsector@uk.zurich.com



Arson Combated Together (ACT) initiative wins award

Zurich Municipal's Arson Combated Together (ACT) schools initiative has been awarded the Corporate Social Responsibility (CSR) award at this year's British Insurance Awards. Speaking at the ceremony Tom Shewry, Head of Education, said: "Clearly we are thrilled that the ACT initiative has been acknowledged in this way. The Fire Services have been a true partner and continue to play a crucial role in implementing the programme with schools in their local community. With three schools suffering from arson attacks every day, we can't afford to be complacent and must continue to put measures in place to tackle the problem."

For more information on ACT visit www.zurichmunicipal.com



Working in hot weather

The Health and Safety Executive (HSE) has a range of guidance and practical advice for working inside or outside in hot weather. The advice covers heat stress, dehydration, glare, sun protection, working in the sun and temperatures in places where food is handled.

For more information visit www.hse.gov.uk



Meltdown on sculpture safety

YOU WOULDN'T THINK A HUGE SCULPTURE WEIGHING SEVERAL TONS WOULD BE UNDER THREAT BUT AN ALARMING RISE IN CASES PROVES THIEVES WILL STOP AT ALMOST NOTHING. **SALLY JENNER**, RISK MANAGEMENT CONSULTANT, LOOKS AT THE EVIDENCE.

One of the most disturbing of recent art thefts happened in December 2005 when thieves stole Henry Moore's statue 'Reclining Figure' 1969-70 from the grounds of an estate in Much Hadham, Herts.

The 3.6 metre-long statue weighed over two tonnes. In a well-planned theft, it was loaded onto the back of a lorry and has not been seen since. Barely a month later and one of Lynn Chadwick's 'Three Watchers' was stolen from the grounds of Roehampton University by similar methods.

Sadly, this is a growing trend: three bronze statues were stolen from a nursery in Kent, a life-size statue of a warthog was taken from a private garden, while five large sculptures were stolen from a sculpture park outside Tunbridge Wells. Others to disappear include two war memorial sculptures from St Leonard's Church in Semley, Wiltshire, and St Mary's Church, Chedzoy, Somerset.

According to the Metropolitan Police, over 20 large bronze sculptures have been stolen from in and around London in the past 12 months. Most are feared to have been sold for scrap as the

price of copper reaches a record high. This is more likely if the pieces are well known and would be hard to sell. For example, one of the 'Three Watchers' alone is worth £300,000 but will make as little as £1,000 when melted down. And of course it's not just the financial value of the stolen works that's important, they are also likely to have a high sentimental value.

All these thefts have a number of common features: they are large bronze sculptures; none are thought to have been recovered and they would have required careful planning – in most cases using flatbed lorries and cranes or winches. Protection of such large pieces of sculpture in public places is difficult, however it is recommended that a review of security should be carried out. It is important not to make the assumption that a sculpture is too heavy to be lifted, or to underestimate the determination of the thieves.

Unfortunately, CCTV alone is not sufficient to deter theft as in both the Moore and Chadwick thefts, the pieces were covered by cameras. The best protection, as always, is good physical security of the site and of the piece itself.

For example, it may be possible to ensure that the piece cannot be easily reached by cranes or vehicles by re-siting it or providing gates, security fencing or bollards.

In addition, probably the best method of physical security can be provided by ensuring that the piece is secured or concreted directly into the ground, or into a base or plinth (which is also secured into the ground). All these measures help to prevent the piece from being removed from the site.

For more information about protecting statues from theft email info@zurichmunicipal.com

Useful websites

Stolen London Art Database (SLAD)
www.met.police.uk/artandantiques/pages/statuses.htm

Stolen Works of Art
www.interpol.int/Public/WorkOfArt

Zurich Challengers work for good causes



NEWS & VIEWS TAKES A LOOK AT HOW ZURICH EMPLOYEES SUPPORT HUNDREDS OF CHARITABLE AND COMMUNITY ORGANISATIONS ACROSS THE UK BY VOLUNTEERING THEIR TIME TO HELP LOCAL GOOD CAUSES.

Zurich Community Trust, Zurich's charitable arm, co-ordinates the company's charitable activities, which are focused on the annual Challenge.

Challenge involves employees volunteering for a wide range of community projects, for example, entertaining groups of people (often a BBQ or party), re-planting or clearing gardens or taking groups out on day trips.

Now in its sixteenth year, Challenge is one of the UK's largest corporate charity programmes. For 2006, over 170 Challenges will be undertaken across the country by many of the company's 8,700 employees mainly around their office locations in Gloucestershire, Hampshire, Wiltshire and North Yorkshire.

Within 24 hours of a request for volunteers, 85% of the projects had been taken up by Zurich staff. Chris Gillies, Chairman of Zurich Community Trust comments: "Challenge has become part of our corporate culture at Zurich. It is an eagerly anticipated annual event which always captures the imagination of staff, inspiring them to do great things to help local charities and community groups."

Challenges will typically be completed during the summer. The employees taking on the Challenge will meet up with the local charity to agree what needs to be done and will then start fundraising and asking for donated goods to carry out the Challenge. Zurich's Community

Trust will match any monies raised by 50%. All Challenges are vetted for health and safety and Zurich's Health and Safety team is on hand if a further review is required.

In Swindon, a seaside trip for the Swindon Limbless Association and a barbeque for Children's Cancer and Leukaemia Movement (CALM) are just two events due to take place this year. Commenting on Zurich's continuing support for local charities Sandra Herbert from the MS Therapy Centre said: "Being selected for a Challenge gives us an opportunity to achieve tasks that because of lack of funds or energy we are unable to undertake. You should never underestimate the impact of Challenge."

In Portsmouth, Zurich volunteers will help the Elizabeth Foundation organise an end-of-term party for 40 children. Fareham and Gosport Young Carers has also benefited from the Challenge initiative since it launched. Anne Ford, Young Carers' Project Assistant, said: "The benefits for us as a group of young carers have been enormous and we have built some good relationships with the Zurich staff. We are so passionate about our work with young carers and to get support from organisations such as Zurich makes our day and gives young people things we could never afford to give them on such a tight budget."

In Cheltenham the charity Winstons Wish has benefited from the Challenge initiative for over five years. Julie Stokes, Chief Executive of Winstons Wish, said: "The Challenge volunteers are an inspiration to all and we're proud to call them friends as well as supporters."

For more information about Zurich Community Trust (UK) Limited please email info@zurichmunicipal.com

About Zurich Community Trust (UK) Limited

Zurich Community Trust (UK) Limited is a registered charity, funded by pre-tax profits and donations from its employees, which provides an umbrella for all Zurich's community involvement in the UK. The Trust manages and matches £1 million in donations and 20,000 hours of volunteering, including 174 annual team Challenge activities involving over 3,000 employees.

Zurich also works with partner organisations to improve the lives of disadvantaged people in the UK and overseas. In 2005 it supported over 600 charities and 17 community partners.



Serious about safety

PUBLIC SERVICE ORGANISATIONS NEED TO CLOSE THE GAP BETWEEN WHAT THEY SAY AND WHAT ACTUALLY GETS DONE TO REDUCE RISKS IN THE WORKPLACE. GAVIN CHALMERS, RISK MANAGEMENT CONSULTANT AT ZURICH MUNICIPAL, OUTLINES THE STEPS THEY CAN TAKE.

The figures make uncomfortable reading: over a million injuries and 2.3 million cases of ill-health experienced by workers in the UK every year, resulting in some 40 million lost working days. And it gets worse: the cost to British employers is an estimated £3.3 to £6.5 billion a year. In the civil service sickness absence continues to be a significant operational and financial burden with estimated costs of nearly £306 million per year and 9.8 average working days sickness absence per staff year. That's an increase from 9.2 in 2001.

What makes the situation even more alarming is that according to the Health and Safety Executive (HSE), which compiled the statistics, most organisations don't realise just how much accidents and ill-health cost them in time and money.

Organisations may be very good on the theory – with safety practices, procedures and policies in place. But often the managers within these organisations fail to communicate these effectively to the people working in their organisation. This is a recurring trend found in independent reviews and inspections carried out by Zurich Municipal for clients. The situation can be remedied fairly easily. All that's needed is a commitment to changing the corporate culture and ensuring effective communication and adequate training is made available.

Not just tick boxes

The problem comes down to how organisations view health and safety issues. There are legal requirements, for example, like risk assessments. But organisations can fall into the trap of making this vital process a 'tick box exercise'. They may be in place, but are they effective and is there any follow-through to ensure steps are carried out? The person assessing the risk may not involve those exposed to it in the initial process and thus the nature and level of the risk may not be adequately identified. The result is that on paper, the risks appear to have been identified and assessed with all the right boxes ticked, but in reality hazards are overlooked that can lead to unnecessary accidents and costs. Indeed, often when these hazards have been identified, managers fail to communicate the findings to those involved.

A good example of this was a client who asked Zurich Municipal to review health and safety and make recommendations. Eighteen months later, Zurich Municipal was called back in because key changes hadn't happened. The problem was that while health and safety officials in the organisation recognised the issues and the need for change, managers were reluctant to act due to their work pressures and time. At educational establishments, academics are often more interested in teaching their respective subjects than identifying the risks that may affect their students. The impact of a serious injury to a student should not be ignored particularly in an arena where establishments are trying to attract students.

“There is no doubt that the positive reasons for practising good health and safety are often overlooked and by ensuring a positive attitude towards health and safety organisations can become more efficient.”

One of the reasons why organisations have been slow to change is the misconception that their insurance policy will cover the costs when problems occur. Although insured risks are covered, uninsured costs can start to mount up – for example, lost time and productivity, overtime, sick pay, fines, repairs to buildings and equipment, lost contracts, legal costs, loss of reputation and a decline in staff morale.

A poor claims record will affect the amount paid in insurance premiums. While prosecution by the HSE can be both time consuming and expensive, as the costs usually have to be met by the organisation in breach of the rules.

Studies by the HSE found that for every £1 companies pay in insurance premiums, they have to meet a further £8 to £36 themselves to cover losses arising from accidents. According to the HSE, serious accidents could put them out of business.

Independent advice

Zurich Municipal provides clients with independent advice on good practice and how to meet their responsibilities as an employer. This involves setting priorities, embedding effective solutions, reducing potential employers and public liability and complying with legislation. Line managers may be concerned that they have their day jobs to attend to as a priority, but they are missing the point about the impact failure to act can have on them achieving their own objectives. After all, how can you perform if members of your team are sick, injured and off work?

The answer lies in ensuring health and safety issues are always on the agenda at management meetings and team briefings. Two-way communication with staff is essential. Health and safety committees should be more than talking shops and be seen by management as a useful tool for ensuring health and safety is fully implemented and communicated. Actions can be taken to reduce the risk of accidents in the workplace and training should be provided to aid an understanding of what those risks are.

Zurich Municipal is often asked to provide independent assessments by carrying out health and safety reviews and perception surveys. Employees are more likely to say what they really think to independent specialists rather than to their bosses. A perception survey will reveal how deeply embedded health and safety really is within the organisation and how far it has cascaded from executives to all employees. Often, this independent report will reinforce the message to managers that their own health and safety officers have been communicating to them.

This may necessitate a cultural change in the way an organisation operates, but it's a small price worth paying. The benefits of lower risks are lower premiums, fewer claims and a safer workforce.

Health and safety can be neither avoided nor ignored. It is far better to ensure rigorous processes and training are in place to help your organisation reduce costs, lower its insurance premiums and, most importantly, ensure a productive and healthy workforce.

For more information about health and safety please email info@zurichmunicipal.com





No place for anti-social behaviour

MARK BARRY, RISK MANAGEMENT CONSULTANT AT ZURICH MUNICIPAL, CONSIDERS THE IMPACT OF ANTI-SOCIAL BEHAVIOUR AND HOW BEST TO MANAGE THE RISK.

If you look beyond the straightforward monetary impact of crime and disorder, the real cost is much harder to quantify. Anti-social behaviour destroys lives and shatters communities. It is a widespread problem whose effects are often most damaging in communities that are already fragile.

If left unchecked, it can lead to neighbourhood decline with people moving away and tenants abandoning housing. It can seriously damage the quality of life of vulnerable people through the fear of crime and the long-term effects of victimisation. It also incurs costs to a wide range of people including individuals and families, schools, local authorities, social landlords and businesses.

The real cost of crime

The scale of the problem is starkly illustrated in recent Home Office statistics that showed anti-social behaviour costs £3.375 billion a year. Added to the obvious financial burden of rebuilding, repairing and cleaning damaged property is the cost of time in processing and dealing with these incidents. And, there is no easy way to put a value on the distress and inconvenience experienced by the victims of these crimes. Anti-social behaviour remains a serious issue with tens of thousands of reports made to authorities every day.

Although malicious damage, broken windows and graffiti are in many cases covered by insurance, other elements of anti-social behaviour are non-insurable. These include the psychological effects on victims of anti-social behaviour, such as fear of leaving the house and the economic effects this can have on the community, for example, the impact on local trade. Schools can face costs of ongoing damage during the school day because the design of interiors and fittings are not always robust enough. Typically, with the public sector paying the bill.

Zurich Municipal recognises the need to make improvements to reduce the ongoing problem of anti-social behaviour and is keen to work with clients to develop effective risk management strategies.

Risk management strategies

Attempting to reduce anti-social behaviour requires insight into the problem and its causes. Having identified the risks it's then possible to find realistic ways to defend against or remove them.

Working in partnership with a risk management provider, particularly in light of current governmental, social and environmental changes, can help your organisation to tackle existing issues and be prepared for problems before they arise. This need to plan ahead is important because our experience shows that while anti-social behaviour may not currently be a problem in an area it can become so in the future if it's moved on from elsewhere.

We've found that building design and creating the right environment can have a big impact on anti-social behaviour, so this is an excellent example of an area where it's vital to get it right from the outset through:

- avoiding creating areas with poor access and sight lines, which can lead to groups congregating and graffiti
- robust construction that resists arson and vandalism
- security systems and CCTV to deter criminals
- effective maintenance programmes that avoid the build-up of problems and which encourage people to take pride in their surroundings
- effective planting that becomes part of the answer by protecting buildings rather than part of the problem by creating secluded areas.

Of course your organisation is likely to have tight budgets so it's important to prioritise your risk actions and find the best ways to overcome the problems you face. In this way you can be sure you're taking the most cost-effective steps to address your organisation's most pressing problems.

Training can also play a pivotal role in making risk management an integral element of your organisation's culture. We offer training programmes on managing risk that will transfer valuable skills to the people in your organisation and raise awareness of risk management and its benefits.

Call Crimeline

At Zurich Municipal, we have also launched an independently run whistle-blowing service called Crimeline to help combat anti-social behaviour in communities. Members of the public are being asked to report incidents anonymously to a 24-hour national telephone service available through their housing association or local authority. Crimeline is based on an anti-fraud hotline that was launched by Zurich Municipal last year and which has led to a 30% reduction in the number of fraudulent claims.

The political dimension

The Government's Respect campaign encourages people to work together to create a society in which we can respect one another and live in peace together. The Respect Action Plan details how the Government will encourage respect in communities, including stamping out anti-social behaviour.

What's more, the Government is supporting crime and disorder partnerships in developing robust community safety strategies and action plans. The anti-social behaviour toolkit is part of an extensive programme being put in place to help partnerships achieve reductions in crime and disorder. It offers practical advice and

guidance on how partnerships together with stakeholders and their communities can identify problems then determine, implement and assess local action.

The toolkit also provides information on the latest developments, research findings and promising approaches to tackling anti-social behaviour. It includes tools for identifying problems, developing responses and monitoring progress at local neighbourhood level with the aim of making communities safer and creating sustainable areas in which people wish to live, work and stay.

Sustainable communities

Housing Associations also play an important role in the Government's Respect agenda as they are looked upon to promote good practice. Their practices and procedures are under increasingly intensive scrutiny and the Government is carrying out more frequent audits.

Indeed, the challenge faced by all local authorities and housing associations is to create sustainable communities where people want to live and stay. As mentioned earlier the key to this lies in the design and maintenance of housing. Poorly designed or badly maintained housing often leads to a growth in anti-social behaviour. Another consideration is the provision of suitable facilities for youth recreation. The fight against anti-social behaviour needs to be fought simultaneously on a number of fronts and Zurich Municipal has years of experience of working with public service organisations in this area. We can put our expertise to work for you in a variety of ways that will help your organisation and your communities to avoid incidents and save money paying for the results of crime. This can then be ploughed back into communities to make them even safer.

For further information on the topics covered in this article please email info@zurichmunicipal.com



What is anti-social behaviour?

Anti-Social Behaviour Orders (ASBOs) form one relatively small part of the overall solution to the problem of anti-social behaviour and its affect on the community. Anti-social behaviour is defined under the Crime and Disorder Act 1998 as acting 'in a manner that caused or was likely to cause harassment, alarm or distress to one or more persons not of the same household as [the defendant]'.





Beyond all reasonable doubt

GENERAL INSURANCE CONTRACTS THAT COMMENCE IN OR RENEW FROM 31ST DECEMBER 2006 MUST COMPLY WITH CONTRACT CERTAINTY: A CODE THAT STATES ALL PARTIES MUST AGREE WITH CONTRACT TERMS BEFORE COVER BEGINS. **CLIFF SKEATES**, UNDERWRITING DIRECTOR AT ZURICH MUNICIPAL, CONSIDERS THE CODE AND HOW YOU CAN HELP ENSURE YOUR INSURANCE ACHIEVES CONTRACT CERTAINTY.

Following the terrorist attacks of September 2001, the leaseholder of the World Trade Centre and his insurers became embroiled in a lengthy legal dispute. The argument saw all parties questioning whether the attacks comprised two incidents or one. If the events were viewed as two incidents, the leaseholder would receive £3.5 billion for each attack.

The final ruling stated that the policy wording from one group of insurers defined the attack as two incidents, while the policy terms from other insurers considered it a single event. For the UK's insurance industry, the outcome was clear: the market required new rules that ensured such major misunderstandings would never arise again.

Putting the code into practice

Working with all interested parties including the Financial Services Authority, the Association of British Insurers (ABI) agreed a 'Contract Certainty Code of Good Practice' for general insurance contracts. This confirms that Contract Certainty is only achieved and cover can only

commence when the insured party and the insurer fully agree all terms. The code also clarifies the principles behind achieving Contract Certainty and the rules for producing and issuing contracts.

We believe the code is good news for customers and insurers alike. Contract Certainty will provide the confidence of knowing the full extent of the cover that is in place in advance of any possible loss.

New procedures and timescales

Whilst the code was introduced in October 2005, the ABI expects insurers to comply fully by December 2006. To achieve Contract Certainty new procedures are required:

- customers to send us comprehensive risk information as soon as practical
- agreement must be reached between our customers and Zurich Municipal on full policy wording, before committing to the contract
- Zurich Municipal to issue evidence of cover within 30 days of the inception or renewal date
- Zurich Municipal to correct policy document errors within 14 days of notification.

In addition to Contract Certainty the revised Public Procurement rules introduced in January 2006 incorporated a mandatory 10 day 'standstill' period. This means customers will need to give at least 10 days' notice of a contract award to ensure both parties are able to comply with procurement rules and Contract Certainty.

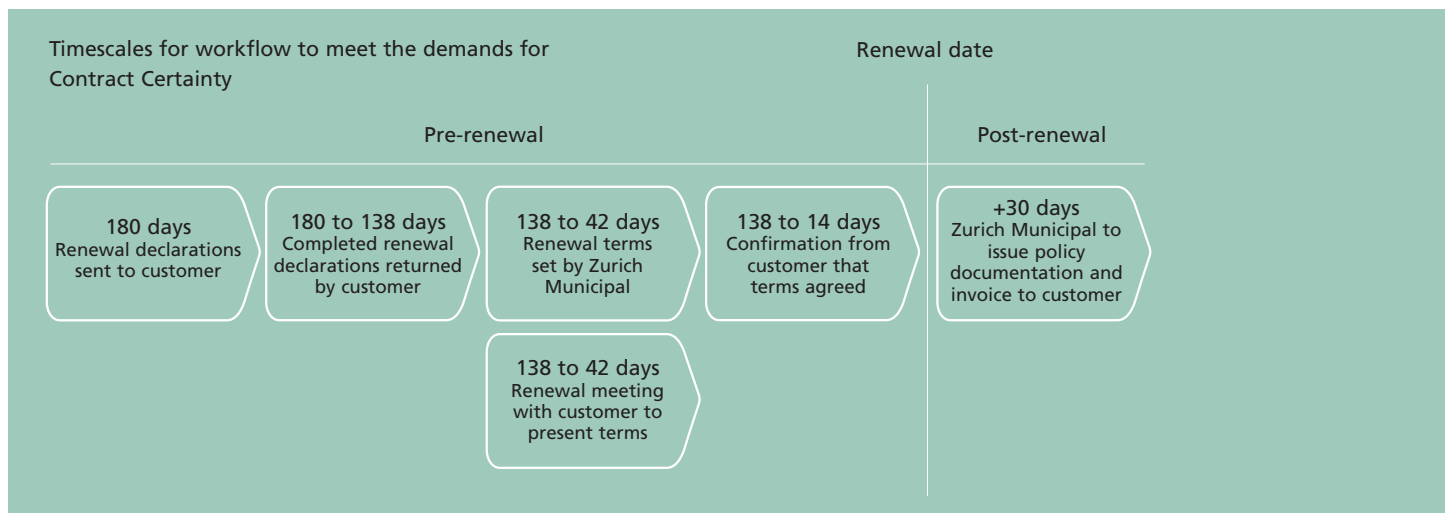
To ensure our products and services comply with Contract Certainty, we have developed the timescales shown in the diagram below.

How you can help

Contract Certainty is only achieved when the insured and the insurer agree all terms before the cover begins. That's why it's important you complete and return your renewal declarations and provide risk information as early as possible.

Further communications on Contract Certainty will be issued as we move nearer to 2007 renewals.

For more information on Contract Certainty, please email info@zurichmunicipal.com





Complacency not an option

BIRD FLU? PANDEMIC FLU? OWEN REES, SENIOR RISK MANAGEMENT CONSULTANT AT ZURICH MUNICIPAL, ASSESSES THE FACTS, THE RISKS AND HOW TO MINIMISE POTENTIAL DISRUPTION.

As we travel more and source our goods and materials globally it's perhaps no coincidence that fears are increasing about the speed at which a potential disease outbreak could spread.

What is pandemic flu?

The UK Health Department describes a pandemic as 'the worldwide spread of a disease, with outbreaks or epidemics occurring in many countries and in most regions of the world'.

Pandemic flu differs from 'ordinary' flu in that it can occur at any time of the year and its impacts are generally far more serious with the likelihood of deaths being higher. Various estimates of the severity have been suggested but Government sources suggest a quarter of the UK population could be affected by pandemic flu.

Pandemic flu is caused by the emergence of a new flu virus that is significantly different from existing strains. Very few people would have any immunity to the new virus allowing it to spread quickly across the globe, and everyone is potentially at risk. And in a Catch-22, no vaccines would be available quickly because they cannot be produced until the new virus has been identified.

So why are we so concerned about this issue now?

Since the mid-1990s outbreaks of the H5N1 strain of avian influenza have been detected in birds across the world, mainly in Asia but spreading to Europe and even the UK. This is not just an issue

confined to birds, however, with over 180 cases of transmission of this bird flu to humans having been recorded. Although these cases involve those in close contact to poultry, and no human-to-human transmission has been recorded, the worry is that any mutation of the H5N1 virus could spread from human to human affecting potentially large numbers in a short timescale.

Planning for the worst

How would your organisation cope with the loss of 25% or more of your staff? Do you have alternative arrangements or contingency plans in place? If not then you may well find it impossible to continue to deliver your services in the event of a pandemic.

Advice from the World Health Organisation is that countries should be planning for possible influenza pandemics. The Government has therefore prepared a UK-wide Influenza Pandemic Contingency Plan and Local Resilience Forums, and the bodies that make them up are being encouraged to do likewise.

Pandemic flu, together with the requirements of the Civil Contingencies Act, should mean that business continuity management, if not already tackled, becomes a key focus for your organisation.

Business continuity management should therefore be an integral part of what you do as an organisation. It allows you to plan not only for pandemic flu but any other business interruption your organisation may face.

Assistance from Zurich Municipal

Zurich Municipal helps clients to address business continuity management with tried and tested methods and extensive public service experience and knowledge. These include:

- identifying your critical business processes
- identifying the business continuity risks facing your organisation
- helping you plan for the effective management of the identified risks
- producing an effective business continuity plan.

Taking action now will ensure you will be compliant with increasing legislation. And, more importantly, effective business continuity management allows you to respond effectively to any situation, whether it is pandemic flu or any other risk of business interruption.

For more information about how Zurich Municipal can help you with your business continuity management please email info@zurichmunicipal.com

Past pandemics

1918-19 an estimated 20 million people worldwide died from Spanish flu
1957-58 an estimated four million people worldwide died from Asian flu
1968-69 an estimated four million people died from Hong Kong flu

Source World Health Organisation



Striking a balance on claims

MICK FLANNIGAN, SENIOR CLAIMS CONTROLLER, DISCUSSES ZURICH'S APPROACH TO DEFENDING AND SETTLING CLAIMS.

An article published by the Chartered Insurance Institute cited some interesting statistics and made some challenging remarks about claims handling by insurance companies. It quoted various studies saying that:

- last year there were 770,000 claims brought for personal injury – one for every 76 people in the UK
- one study found that liability is initially denied in only 20% of cases; and that insurers' files contain 'remarkably little discussion of liability'
- of 150,000 cases supported by trade unions, about 95% result in some payout to the claimant
- insurers allow trial judges to determine only 1% of all claims made
- cost pressures upon insurers mean that 'many more claims succeed than the strict rules of tort would allow'
- the great majority of claimants are likely to be over-compensated for their economic loss.

To say the least, some of these observations are controversial and paint a picture of an inconsistent approach to defending claims. In reality, at Zurich we take a consistent, firm and fair approach to all claims – we pay valid ones quickly and robustly defend those that we believe are not.

Zurich Municipal's experience

In the Housing sector nearly 70% of claims are repudiated. A similar ratio applies to highway tripping claims. As for Employers' Liability, it was feared that a large number of claims would develop after the landmark High Court decision on stress claims in *Walker v Northumberland County Council*. That was in 1995 and hundreds of claims were received in the wake of that ruling. From the outset however, Zurich Municipal has invested in thorough investigation and rigorous defences. As a result very few stress claims have been paid and our success rate in resisting such cases is around 90%.

Pressure of costs

It cannot be denied that legal and other costs are an important factor. Quite properly they have a bearing on our approach and decisions in certain cases. It would be unwise to ignore these issues altogether. However, the overriding factor influencing our decisions is always the merits of the case: has any breach of duty actually been established? If the claim is weak, it should be resisted. This stance requires steadfastness and commitment in situations where costs can escalate alarmingly.

Some insurers take a more 'commercial' approach than others. That is, they seek an economical way out of claims. They would rather seek a compromise before costs have risen out of proportion, for example cases that are supported by public funding place insurers in a no-win situation. In one such case, *Hansen v Isle of Wight County Council* (a case of alleged 'failure to educate'), the judge rejected the claim and



stated that it should never have been pursued. However, the successful defence cost insurers almost £150,000 – which was entirely irrecoverable.

So-called commercial or economic settlements occasionally make sense – but no insurer or defendant can afford to gain a reputation of succumbing to this type of cost pressure.

Success fees

Large numbers of claims are now funded by Conditional Fee Arrangements (CFAs). Under these CFAs, claimants' lawyers are entitled to charge success fees that can, in appropriate cases, as much as double the basic costs they can recover. This is an important consideration for insurers: if we dispute liability, that helps lawyers to justify higher levels of success fees. On the other hand, an early admission of liability can remove the justification for a high success fee. In the event that we are compelled to settle at a late stage, any early inflexibility on liability can cost customers dearly.

Early decisions

It's said that 'early settlements are cheap settlements' and 'claims don't improve with keeping'. As a generalisation, that tends to be true. Nowadays there is more pressure than ever to take an early view of liability. The civil procedure protocols allow defendants only 90 days to investigate a claim and admit liability. If no admission is made in that time, the defendant has an obligation to disclose relevant documents. That can be an extremely onerous requirement. The claimant is then able to commence proceedings and the court timetable moves rapidly, bringing potential costs penalties for non-compliant defendants.

None of that is good reason to settle claims without merit. To enable us to take a hard line, if appropriate, we require prompt, complete and reliable information from our customers. This must be backed up by full documentation (such as inspection and maintenance records). If the

information is lacking, the position is weakened. To defend a claim, only to settle in the later stages when a clearer picture emerges, is clearly wasteful.

Litigation risk

Whatever our own view of liability, there is always a risk that a court will take a different view. There have been innumerable instances of apparently sound defences failing at trial; or judges simply choosing to take an alternate view of the defence. However strong the defence might seem, there are very few (if any) cases which are risk-free for defendants. Therefore it's wise to have these uncertainties in mind, however bold and resolute the defence may be.

Appeals

Customers are naturally disappointed if they perceive that their insurers have paid out without a fight. In Zurich Municipal's case our approach is fair in that we seek speedy settlement of deserving claims but view purely 'economic' settlements as short sighted. Our resolve to contest important issues is illustrated by our record of pursuing appeals against unsound judgments that set precedents that have implications for other public service customers. We have frequently taken cases to the Court of Appeal and we currently have one case destined for the House of Lords. Arguably our most important victory on behalf of public services was *Tomlinson v Congleton Borough Council* when we successfully overturned an award to a man who had sadly suffered catastrophic injuries when he dived into a lake. In this case the House of Lords ultimately ruled there was no breach of duty by the council, putting an end to many claims where the injured person seeks redress for their own folly.

Conclusion

As with most issues, insurers have to strike a balance. By appearing to be a 'soft touch' they could encourage more claims and incur greater liabilities. However, taking an unduly hard line can be a waste of time and money. It can irritate claimants, their lawyers and the courts, thereby incurring penalties and higher costs. Each case needs to be carefully evaluated on its merits by skilled claims handlers.

If any Zurich Municipal customer has strong views about the merits of a particular case, we will always discuss them and take them into account.

For more information please email
info@zurichmunicipal.com



Concerns over memorial safety

NEW GUIDANCE OUTLINING WHAT HAS GONE WRONG IN THE PAST WHEN MEMORIALS HAVE BEEN LAID FLAT FOR SAFETY REASONS AND HOW THIS SHOULD BE HANDLED IN THE FUTURE, IS WELCOMED BY IAN GAMMANS, SENIOR RISK MANAGEMENT CONSULTANT AT ZURICH MUNICIPAL.

There have been a number of accidents and even fatalities, caused by unsafe memorials toppling over. However, the response of some burial authorities to lay large numbers flat has outraged families of the bereaved. Now, the Local Government Ombudsman has stepped in to review the situation and issue guidelines on the way forward.

The main message in the Ombudsman's special report on memorial safety in local authority cemeteries is that it should not be necessary for burial authorities to lay down memorials on a large scale, as had happened in the past.

Zurich Municipal welcomes the report and agrees with most of its conclusion. Memorial safety is a sensitive issue and the guidelines should go a long way to help local authorities deal with the situation.

The report clarifies a number of issues that had been seen as grey areas of advice for burial authorities. It endorses recommendations made by Zurich Municipal, for example, the importance of good communications with the public and adequate training for people responsible for laying memorials. There needs to be a comprehensive risk assessment and a clearly written policy of what to do with memorials found to be unsafe.

The three main areas where Ombudsman found maladministration were:

- failure to ensure adequate publicity or notification before carrying out testing or laying down memorials that failed the test
- failure to have a proper system for risk assessment and subsequent prioritisation of work
- lack of proper training for people carrying out the testing and a failure to seek advice from a suitably qualified person.

The report found that problems occurred when authorities had been pre-emptive in taking steps to make memorials safer by laying them flat in large numbers.

A key message in the report was to get the balance right between the need for safety and the concerns of the bereaved's relatives. In a recent case involving the Welford Road cemetery in Leicester, the Church of England Ecclesiastical Consistory Court ruled that the council must reinstate memorials that had been laid flat. It would not readily grant a faculty that would lead to the laying down of significant numbers of memorials unless it could be clearly shown to be necessary. A faculty for the future testing of 10,000 memorials was granted but with conditions.

Zurich Municipal provides its customers with risk assessment advice and consultation that draws on its knowledge of best practice in the installation and safety maintenance of memorials. The company recommends that in future all those involved in the burial industry should agree and comply with the measures needed to ensure safety in burial grounds.

Further guidance is provided in the recent BS 8415:2005 'Monuments within burial grounds and memorial sites – Specification'. In addition, the Government has set up the Burial Safety Advisory Group (BSAG) to provide future guidelines for dealing with new memorial installations and the testing of existing memorials.

A report is expected by the end of the year.

For more information email info@zurichmunicipal.com



Fighting fraud on new fronts

NEW LEGISLATION IS DUE AND THE GOVERNMENT IS CO-ORDINATING ACTIVITY TO COMBAT FRAUD. BUT RESOURCES ARE STILL LIMITED TO TACKLE WHAT IS OFTEN INAPPROPRIATELY CALLED A VICTIMLESS CRIME, SAYS **STEVE JACKSON**, NATIONAL FRAUD CONTROLLER AT ZURICH MUNICIPAL.

The new Fraud Bill is welcomed by Zurich Municipal because it seeks to clarify offences and help the police determine whether or not to prosecute offenders. It is currently going through Parliament, having been facilitated by the repeal of section 43 of the Criminal Justice Act 2003, relating to trial by jury. As a result, an Act of Parliament is expected this autumn that will replace existing legislation used to fight fraud.

The Bill seeks to consolidate existing criminal legislation covering fraud-related offences into a single Act with a single definition of fraud. This will cover various aspects of fraud, including false representation, failure to disclose and abuse of position.

The battle against fraud received another boost in April this year with the formation of SOCA (the Serious and Organised Crime Agency), which brings together the National Criminal Intelligence Service, National Crime Squad, parts of Customs & Excise that deal with drug trafficking and financial crime, and parts of the Immigration Service that deal with Organised Crime. Large-scale, systematic fraud continues to pose a significant threat and could be used to fund terrorism, so at this level it might attract the interest of SOCA.

The downside is that these new measures do little to address the problem of providing additional police resources to tackle fraud. The emphasis remains on dealing with violent crime, drugs and sexual offences. Fraud is very labour intensive to investigate and the burden of proof, like any other criminal offences, is high. There are many elements and leads to examine, money trails to follow – often multi-jurisdictional. Not surprisingly, fraud presents a significant challenge to police resources. A recent announcement that a National Fraud Squad is to be established, suggest that the Government is taking this problem seriously.

Whilst resources are an issue for the police this is often compounded by the degree of investigation completed and the amount that has to be reworked by the police. The perception by police has been that insurers' preparation and understanding of the criminal investigation process is weak. If the industry

can improve in this area by gathering and presenting evidence in collaboration with the police, it can raise confidence and the likelihood of police taking cases on. Some insurers, including Zurich Municipal, utilise former police officers in their investigation units. With increased credibility, police are more likely to pursue cases to prosecution. The alternative is private prosecution.

CIFAS, the database of fraudsters shared by the insurance and financial services industries, provides an alternative sanction against fraudsters. The database records details of fraudsters and provides an alert to other parts of the financial services sector. In addition it makes it extremely difficult for a fraudster to obtain financial services and thus impacts on their lifestyle.

Another difficulty lies in the fact that fraud is still regarded by many as a victimless, white collar crime. But when fraud is committed against, for example, a local authority, then everyone is a victim and the whole community eventually pays through the higher cost of services.

The most effective method of combating fraud is to remove the opportunity for it to take place and understanding how to identify fraud. Fraudsters are becoming smarter so customers and insurers must as well. Zurich Municipal is also working closely with the Association of Local Authority Risk Managers (ALARM) on their Fraud Special Interest Group. The purpose of this group is to establish a standard of managing fraud, which is accredited by the Audit Commission. Zurich Municipal supported a launch event, which took place in Birmingham in May 2006 and was attended by a capacity audience. The event proved to be a great success and the next step for the group is to produce a documented guide for accreditation by the Audit Commission.

The insurance industry will continue to lobby for more support in the fight against fraud and the new Bill should be seen as just the latest step forward in that direction.

For more information about this topic please email info@zurichmunicipal.com



Providing a strong voice on key insurance issues

ZURICH MUNICIPAL CHAMPIONS KEY ISSUES NOT ONLY ON BEHALF OF ITS CUSTOMERS, BUT ALSO FOR THE INDUSTRY AS A WHOLE. KAREN BIGWOOD, BUSINESS MARKETING MANAGER FOR ZURICH MUNICIPAL EXPLAINS WHY THE ROLE THE COMPANY PLAYS IS IMPORTANT.

As a market leader, Zurich Municipal takes seriously its responsibility to ensure important and emerging issues that impact customers and society as a whole are scrutinised and discussed. Expert opinion and factual analysis provided by Zurich Municipal is frequently used by Government, trade organisations and other specialist bodies to make better-informed decisions on a range of topics that affect public life, most notably, fraud, anti-social behaviour and arson.

A common link between all these problem areas is the consequences they have on whole communities. It is therefore in the interests of everybody that the experience and information Zurich Municipal has available is used to help find practical, best-practice solutions to these issues.

In many cases as well as the financial costs of claims and higher premiums, there are many unseen impacts. For example arson in schools results in stress to staff and pupils, time away from school, loss of coursework and so on.

Expert input

The championing role played by Zurich Municipal is usually 'behind the scenes' and so goes largely unnoticed. Reports and analysis are carried out by underwriters, claims and risk management specialists and other experts in their fields who have practical, day-to-day knowledge and experience of the issues.

As well as offering its views during public consultation periods on new legislation, Government departments often approach Zurich Municipal when they need information – while a number of cases of problems on school field trips have been highlighted in the media, the actual underlying claims trend indicates that these tend to be isolated cases. This type of analysis helped to ensure that the Government understood the extent of the problem and acted accordingly.

Practical assistance

Zurich Municipal has played a key role supporting the installation of sprinkler systems in schools and is pleased that the issue is now on an Early Day motion in the House of Commons. Zurich Municipal has provided factual evidence to support the case for introducing sprinklers to help counter arguments from an 'anti-sprinkler' lobby, which contends that the cost makes them unviable for schools.

Elsewhere in the education sector, Zurich Municipal is providing input as part of the Government's Building Schools for the Future initiative. Here, the company is highlighting lessons learned from the past in areas like security and safety features in schools that will ensure new buildings reduce risks and the likelihood of claims being made.

The compensation culture is another issue of relevance to public services and where we have been able to offer views and advice on how best to tackle rising claims levels. On the issue of fraud, Zurich Municipal is working closely with the Association of Local Authority Risk Managers (ALARM) to develop a common standard on tackling fraud.

The charities sector is another area that is benefiting from Zurich's expertise. We are positively contributing to discussions about encouraging volunteers from a diverse range of backgrounds by ensuring our products facilitate this. In addition we are seeing a growing number of public services delivered in partnership with third-party providers, including charitable organisations and by working with trade bodies we are providing input and guidance on how best to ensure all parties involved understand risk and accountabilities.

The role of Zurich Municipal as an expert opinion provider and champion of these sorts of issues hopefully has a positive impact on the way these issues are being tackled.

For more information about any of the topics raised in this article please email info@zurichmunicipal.com



Accidents will happen...

JAMES MORRIS AND AILSA ROBERTS OF LAW FIRM BEACHCROFT LLP LOOK AT THE NEED FOR PROPERTY OWNERS AND OCCUPIERS TO PROTECT THEMSELVES AGAINST LIABILITY CLAIMS.

What would happen if a child, or indeed an adult, was badly injured whilst on your premises. Could you be found liable?

In *Young v Kent CC* (2005) a 12-year-old boy fell through a brittle roof skylight on a school building; in *Keown v Coventry Healthcare NHS Trust* (2005) an 11-year-old boy climbed a fire escape on a hospital and fell 30 feet. In *Maloney v Torfaen BC* (2006) an adult, on his way back home from the pub, wandered off the designated pedestrian path and fell down a sloping grass embankment. All suffered significant brain injury.

In recent cases, the courts have been determined to follow the guidelines set out in *Tomlinson v Congleton BC* (2002,) where an 18-year-old boy suffered spinal injuries when he dived into a shallow lake, owned by the council. Reassuringly for local authorities, the council was not found liable. It had erected signs warning not to swim but, most importantly, the court decided that, diving into a shallow lake was so inherently dangerous and the risk of being injured was so obvious, the youth was deemed to have chosen to accept that risk. In essence, those who engage in risky activities must accept the consequences.

In general the courts have been unwilling to prescribe steps to avoid the risk of an accident and will decide each case on its own particular facts. They have, however, distinguished cases involving properties where it is the 'state' (ie. the condition or construction) of the premises which pose an inherent danger from those where the 'features' of the premises (eg. the fire escape ladder) attract dangerous activities to be carried out on them.

In the *Young* case, the council was found liable because it was aware that the roof light was brittle, there had been previous incidents of children gaining access to the roof and, as the building was a school, children were likely to be in the vicinity. The court was critical of the school not having made the roof safe or prevented access when it was aware of the potential danger. In the *Keown* case, the judge initially found the trust liable, as it had not erected notices, warnings or barriers, or appointed security guards. The Court of Appeal disagreed. It decided that the boy knew that what he was doing was dangerous. The trust had not been aware that children used the fire escape as a climbing frame and to make it responsible for the accident would have imposed too high a level of duty of care, which was out of proportion to the risk of one or two people occasionally being injured. The Court of Appeal also decided that if the trust was found liable, this would impose unreasonable safety regimes on those responsible for premises.

Prevention

Occupiers are not required to risk assess or 'child-proof' all their premises in order to protect against risky or mischievous behaviour. But they must have thorough maintenance schedules and records to ensure the premises are not, or do not become, inherently dangerous. They should also monitor activity such as trends in complaints of children climbing on the roofs. Where (potential) dangers have been highlighted or incidents have occurred, they must consider what needs to be done to

eliminate or reduce that danger. Whilst they may decide to take no action, having weighed up the costs involved and the social value of the activity against the risk of serious injury occurring, they must keep records of their decision-making process. The courts will be sympathetic to decisions that have clearly been thought about, even if in hindsight the wrong decisions were made. If there is a decision making process this may be enough to avoid being liable.

Take the example of an informal shortcut footpath, created down a steep grass bank. If the pathway is clearly worn, this should put the occupier on notice that there is a risk of danger. If it then decides the informal footpath could give rise to an obvious risk of injury to a group of users, it should then consider taking suitable preventative steps – for example, fencing off the embankment, making a formal footpath or erecting warning signs. When considering these preventative steps, a costs/benefit analysis needs to be done and if no action is to be taken, records of the reasoning retained. Without such records, defending a claim becomes very difficult.

Whilst the courts' approach is that occupiers have no duty to protect individuals from injury when voluntarily subjecting themselves to an obvious danger and that people are expected to be responsible for their own actions, the defendants will be found liable if they have not taken reasonable steps to minimise the risk of injury. Occupiers need to consider the risks of danger once they know that the features of a property attract dangerous activities to be carried out on them, and take steps if appropriate.

For more information please email info@zurichmunicipal.com

James Morris is a Partner and Ailsa Roberts, an Associate, in the injury risk group at national commercial law firm, Beachcroft LLP.

Cost of SCHOOL FIRES is lowest in five years

NEW FIGURES FROM ZURICH MUNICIPAL SHOW THAT SCHOOL FIRES COST AN ESTIMATED £67 MILLION IN 2005 – A £16 MILLION REDUCTION FROM THE PREVIOUS YEAR. HOWEVER, EARLY INDICATIONS ARE THAT THIS IS NOT THE START OF A DOWNWARD TREND. IN MARCH THIS YEAR ALONE, SCHOOL FIRES COST AN ESTIMATED £22 MILLION, COMPARED TO A MONTHLY AVERAGE OF £5.5 MILLION IN 2005.

With around 75% of school fires being started deliberately, arson continues to be a serious issue for schools and fire services. The majority of arsonists are of between 10 and 19 years of age, so tackling the grassroot problem of school fire involves educating school-aged children about the dangers of deliberate fire setting. Related costs incurred as a result of school fires have increased by nearly 37% over the last 10 years.

Larry Stokes, Underwriting Manager at Zurich Municipal and Chair of the Arson Prevention Bureau's Schools Working Group, commented: "It is encouraging that the cost of school fires has decreased over the last year. However, arson continues to be a severe problem and costly both financially and in ways that cannot be quantified; classes are disrupted, exam work is lost and lives are put in danger. With three schools suffering from arson attacks every day, we cannot afford to be complacent and must continue to put measures in place to tackle the problem."

Last year's drop in the cost of school fires coincided with the launch of Zurich Municipal's Arson Combated Together (ACT) Fire Service Tool Kit. It is a practical educational aid designed to raise awareness of the problem of arson among pupils and teachers. The kit is available free of charge to fire services throughout the UK and in January 74% of services surveyed were already using the kit, or planning to use it, with children at local schools.

Larry continued: "Our research shows that after completing ACT workshops, pupils show a clear change in attitude and accept that they have a responsibility in helping to prevent arson."

(For more information on arson or to find out more about ACT please email info@zurichmunicipal.com)

A regional breakdown of the cost of school fires in 2005

London/South East	37%
Midlands	17%
North	12%
North West	12%
Scotland	9%
East Anglia	4%
Wales/South West	6%
North East	3%



New focus for fire safety

NEW LEGISLATION DUE IN OCTOBER PUTS THE EMPHASIS ON RISK REDUCTION AND PREVENTION RATHER THAN FIRE PRECAUTION. IT'S A MOVE TOWARDS SELF-REGULATION, EXPLAINS **STUART BLACKIE**, RISK MANAGEMENT CONSULTANT AT ZURICH MUNICIPAL.

The Government has introduced the Regulatory Reform (Fire Safety) Order 2005 to reduce fire deaths, injuries and damage. This change in fire legislation sees the reform, repeal or revocation of over 100 pieces of fire-related legislation. The new Fire Safety Order comes into force on 1 October 2006, when building owners and occupants will be required to comply with the legislation.

Zurich Municipal welcomes the introduction of the Order, as it is an opportunity to raise the profile of fire prevention to a level appropriate to the risks often posed by fire.

Of course the requirement for building occupiers to carry out Fire Risk Assessments isn't a new one – it's been in existence since 1997 under the current Fire Precautions (Workplace) Regulations. However, a clearer and more robust legislative requirement will help those responsible for managing a premise's fire safety to do so effectively and in a risk appropriate manner. We are confident that compliance with the Order will result in more effective and risk-based fire safety management and is likely to lead to a reduction in losses of life, assets and property.

What are the changes?

The most significant change will be the shift in emphasis away from a focus purely on fire precautions and towards risk reduction and fire prevention. All existing fire certificates issued under the Fire Precautions Act will be abolished and will cease to be issued by enforcing bodies. Where fire certificates currently exist, within certain classifications of buildings, it may be prudent for occupiers or owners to retain this documentation to help with the completion and/or review of fire risk assessments.

This is a move towards self-regulation – transferring the responsibility for fire safety away from the regulatory body or enforcers to building owners and occupants.

Who is responsible?

A key factor within the legislation is the reference to the 'responsible person' for each building.

They are required to carry out an assessment of the risks in relation to fire and to take the necessary steps to reduce, remove or control the risks. The responsible person may appoint others to assist in the overall process – for example, a health and safety representative, a product manufacturer or suppliers involved in fire equipment. Using contractors that operate under a third-party validation scheme increases confidence that the measures being taken are reliable and appropriate.

How to prepare for the Order

The most effective way to prepare for the changes is to ensure that you already comply with the existing requirements placed on you by the Fire Precautions (Workplace) Regulations 1997. This means ensuring that you have in place a current fire risk assessment and comply with the findings of that assessment. However, it will be necessary to carry out a comprehensive review of the existing assessment in light of the requirements of the Fire Safety Order.

Fire safety guidance

To help people gain suitable knowledge of fire safety for their particular type of premises, detailed guides have been produced by the Department for Communities and Local Government (DCLG) covering:

- Offices and shops
- Factories and warehouses
- Sleeping accommodation
- Residential care premises
- Educational premises
- Small and medium places of assembly
- Large places of assembly
- Theatres, cinemas and similar premises
- Open air events and venues
- Healthcare premises
- Transport premises and facilities

Enforcement of the Order

Local Fire Authorities will generally enforce the Order, although there will be a limited number of situations where compliance will be enforced by other parties. It is likely that resources will



be targeted at those premises considered to fall within the higher-risk category. However, this may encompass a great many premises that were not considered high risk under previous legislation.

Insurance perspective

As with other legislative requirements, insurers will expect to see clients complying with the Order through the completion of appropriate fire risk assessments and effective fire safety management. It is also likely that during visits to premises insurance surveyors will ask for a copy of, or to see, the Fire Risk Assessment, to determine whether statutory obligations are being complied with. Details of the responsible and competent persons may also be required for record purposes.

By concentrating efforts on preventing fires, there will be a lesser need for prescriptive fire protection. The new focus will allow organisations to manage their fire risks effectively by putting robust measures in place to prevent or limit the likelihood of fires starting. A truly risk-based approach as required by the Order will require appropriate monitoring and treatment or improvement of risk. This will be the key tool in managing fire safety and in many regards it impacts on property protection. Zurich Municipal is keen to work with its customers to identify effective risk management packages and to help with developing strategic risk improvement packages. The introduction of the Order offers the ideal opportunity for your organisation to re-focus on effective risk management principles.

Further information

Zurich Municipal offers a variety of training packages, including Fire Risk Assessment and the Regulatory (Fire Safety) Order 2005.

email info@zurichmunicipal.com

Additional information and copies of the guidance documents are available from: www.communities.gov.uk – the new website for the Department for Communities and Local Government.

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