



# UMAL NEWS

SUMMER 2008

## High Scoring Claims Team

Prompt action, technical support, addressing coverage issues all praised

**The recent set of results from an independent property claims audit of UMAL's Claims Department has once again demonstrated the team's ability to handle claims consistently and effectively.**

The auditor found that the Department's property claims handling, when compared against the highest industry standards and specific criteria, produces an overall technical service proficiency in excess of 90%. The score reflects all handling activity over the full life of a claim file and includes allowance for the level of service provided to UMAL by its outside resources, e.g. loss adjusters.

The audit specifically identified a number of inherent strengths within the Claims Department, key amongst which are UMAL taking prompt action upon receipt of claim notifications, the excellence of its technical support and advice to Members, and the way it identifies and addresses any coverage issues which may arise.

Furthermore, the auditor also commended UMAL's approach of undertaking regular loss adjuster audits to assess ongoing quality, the excellence of its diary system to request regular updates from adjusters and the way it intervened to expedite on the part of Members where there are delays. Lastly, UMAL's accurate assessment and maintenance of its reserves was seen as a particular strength.

Each year the Claims Department handles a wide range of claims and while most are straightforward, others may require further investigation and close liaison between

UMAL's underwriters, appointed loss adjusters and specialist advisors.

Claims may be raised by members for any number of reasons, and the Department's main areas of activity include: Property, Liability, Professional Indemnity and Travel Accident.

The team also monitors claims under insurance schemes placed by UMAL's sister company, UM Services Ltd. These claims include Motor, Legal Expenses and speciality covers such as Fine Arts, Marine and Farming.

Each claim is logged onto the Department's database that comprises over 15 years of claims information – an important tool for identifying trends for assisting in risk management, alongside supporting rating. The database is available on the UMAL website where individual Member claims history is provided for easy and comprehensive reference.

To date, the Claims Department has handled approximately 10,000 claims, with a total value of £146 million. These have included some of the

largest losses experienced by the sector.

While arrangements for the handling of specific claims may differ, all notifications will be promptly acknowledged within 24 hours. All travel claims are handled internally, with the help of specialist medical emergency assistance if required.

Claims of a more complex nature may require a loss adjuster who liaises with all parties. As claims progress, authorised interim payments are made within 48 hours of the adjuster's recommendation.

Less complex claims are handled in-house and, with sufficient information, payment can be authorised within just 48 hours. Similarly, the Department's highly proactive recovery procedures are designed to quickly achieve impressive results.

It all adds up to a comprehensive service that, as the recent property audit demonstrates, is fulfilling its various aims.



# Working at Heights

**Falls from height are the largest single cause of workplace deaths in the UK (almost 60 per year), and the second largest cause of injury (4,000 per year).**

The education sector alone has one annual fatality and almost 500 serious injuries caused by 'low' falls of less than two metres, stairway falls, or those caused by using chairs or desks.

As a result of the number of accidents the Work at Height Regulations were passed in 2005. These make requirements on duty holders to avoid potential dangers of working at height. In essence, all HSE guidance calls for planning and organisation, taking into account weather conditions, adequate training, safety in places where work at height is done and inspection of equipment. The risks from fragile surfaces and falling objects should also be properly controlled.



Another area of particular relevance to estates concerns the places such as Learning Resource Centres, where balcony edges may not have rails. As such, edge guards should be included during the design stage, rather than undertaking expensive retrofit guarding.

The Regulations were recently updated by the Work at Height (Amendment) Regulations 2007, which particularly addressed caving and climbing activities. Such activities and field trips are covered by this legislation and should be included in an institution's safety policies.

By adopting these safety procedures and complying with the legislation the education sector can avoid many injuries and the various related costs.



# Legal Expenses

**There are two versions of Legal Expenses Insurance cover: the traditional 'Before-the-Event' and the more recent 'After-the-Event'.**

Legal Expenses Insurance performs a similar service to the Legal Aid system by providing the insured with access to legal redress should they have a reasonable case. Therefore, it is not intended for frivolous or vexatious actions, or to provide a blank cheque for legal costs. Rather, it is intended to ensure organisations have the necessary resources in place which, otherwise, could erode budgets.

'After-the-Event' cover is available to consider matters where a particular legal issue has already arisen. Therefore, it focuses on the likely outcome of the legal action required to be taken. It works in conjunction with a Conditional Fee Agreement that a solicitor may offer and provides access to justice in lieu of purchase of 'Before-the-Event' cover.

'Before-the-Event' is a more traditional cover purchased prior to an incident occurring and without any knowledge that a particular legal event is likely. The cover applies to such areas of law as Employment, Property and Taxation. It provides funds to defend or pursue legal matters affecting an organisation in a

particular area of law.

UMSL has teamed up with FirstAssist Insurance Services Limited to arrange 'Before-the-Event' Legal Expenses Insurance on behalf of UMAL members. Various levels of cover are available, starting with the defence of notices under the Health & Safety at Work Act 1974, plus the defence of criminal prosecutions. Further cover can also be added, including Employment, Property, Taxation and Personal Injury, while the top level of cover allows contract disputes to be included.



The policy, operating in the UK and Europe, provides up to £100,000 for any one claim and up to a total of £1,000,000 in any one period of cover. UMAL members are also free to choose their own legal representatives and have access to free, 24-hour confidential legal advice on any matters affecting the running of their institution.

The main cover area for which the policy is used is Employment, particularly as the alternative 'After-the-Event' does not operate in this area of law. As such, in recent years UMAL members have seen a number of claims within Employment, including discrimination claims which have resulted in payments of substantial sums.

The UMAL members 'Before-the-Event' cover is now readily available to members and further enhances the range of covers that allow members to pursue their legal rights whilst protecting budgets.

# Planning for Disaster

In the last few years reports from both health experts and the media state that the world is on the brink of a pandemic. Historically, pandemics have been rare, but also recurrent. When a new influenza virus does appear, spreading as easily as normal influenza, the results can be devastating. The 1918 ‘Spanish influenza’, for example, killed an estimated 40-50 million people worldwide.

NIGEL DEAVES  
UMAL'S SENIOR  
CLAIMS EXECUTIVE



Current advice from the World Health Organisation says that during an outbreak, businesses and other organisations will have a key role to play in reducing the risk to employee health and safety while maintaining essential operations. Universities and colleges will also have a clear responsibility to the welfare of student populations.

Against such a background, the requirement for comprehensive Disaster Planning is of crucial importance to ensure the necessary responses are in place to deal with a pandemic outbreak. It gives an organisation a level of preparedness that allows it to fully understand the wider repercussions of a pandemic and how its numerous strands will affect its day-to-day operations.

Nigel Deaves, Senior Claims Executive at UMAL, regularly hosts Disaster Plan Exercises for Members that create a scenario illustrating how an outbreak could trigger a range of possible events along a timeline.

Nigel hosted a Disaster Plan Exercise at a Member university.

- The first stage of the scenario commences in mid-February when bird flu (avian influenza H5N1 strain) reaches Europe. As 12 cases are confirmed in Northern France the UK is placed on Alert Level 2.
- As the month progresses, the outbreak escalates and spreads into the UK and the first fatality is reported. Within days bird flu is dominating news bulletins and deaths increase to double figures as infection rates in the south approach 15%. Deaths appear

to be predominantly in those under 25 years of age.

- The university receives confirmation of its first bird flu case, soon followed by others. Employee absenteeism exceeds 10% as the media becomes interested in the story.
- The first student death on campus occurs and union concern about staff members is reported in the media. Negative press reports combine with the university's inability to trace student's details on SITS and it fails to inform their next-of-kin. Concerned parents telephone the university round-the-clock, and the first staff become infected.
- A front page article in the local newspaper claims the victim's mother was informed of his death by a friend, rather than the University. The story gains national exposure and the HSE promises a full-scale investigation when outbreak concludes.
- As the City Council and Health Authority requisition the university's library basement as a temporary mortuary, the university's community infection rate reaches 20%, with a death rate of 2.5% and staff absences close to 50%.

Throughout the seminar, Nigel raises various questions designed to expose areas where attention may be needed to create a robust response structure. "For example, we will look at issues such as how critical activities or service areas will be affected. How the university will interact and work with involved public authorities, and what should be there primary concern."

Other key factors range from the preparation and delivery of press statements, identifying primary concerns, and making decisions about whether or not to close the university, alongside the implications of taking such action.





# Workshops on the World



**A Travel Workshop seminar presented by specialist risk consultancy Control Risks at the University of Wales in January gave attendees the opportunity to learn some valuable lessons in how to minimise potential dangers during trips overseas.**

expertise and in-depth knowledge of Control Risks' representatives who are all professionals in the region of minimising risk during travel. The seminars are designed to help travellers put in place effective safety procedures for their trip and gain advice on avoiding potential pitfalls.

Around ten staff members from the VU attended the seminar and heard briefings on areas ranging from preparation prior to travel, airport procedures, hotel security and personal security procedures, to advice for women travellers, action in emergencies and common scams on business travellers.

Ffion Morgan of the VU attended the seminar and comments, "They advised us on what we can do to lessen the risk and also offered a very useful source of information, by accessing their website to receive information on specific incidents and updates on the latest developments to help us anticipate the problems we could face in various countries. In the event of an incident they can also help us respond to the situation and provide prompt assistance."

Stuart comments, "The feedback from staff had been uniformly positive as many of the issues highlighted were very relevant to our roles."

The seminar was aimed at staff members of the university's Validation Unit (VU). The VU Acting Assistant Director (Operations Manager), Stuart Evans, says, "Through its validation work, the University of Wales collaborates with over 110 institutions in 27 countries around the world in Northern America, Africa, Europe and Asia."

A large part of the VU's activities requires members of the team to regularly travel overseas to validate over three hundred courses at centres across the world. There are currently 15,500 students on courses validated by the University.

Stuart comments, "As frequent visits to our partner institutions are made by staff from the University, the UMAL seminar was held to remind its seasoned travellers of the pertinent issues surrounding foreign travel and acted as an introduction to newly-appointed members of staff." The event also served to highlight the various benefits and services available to members through UMAL.

The seminar lasted approximately three hours and covered a wide range of areas relating to travel safety and security, tailored to meet the needs of the University.

The presentations at these workshops draw on the



## RISK MANAGEMENT

# Sound Advice on new Rules

MIKE STONES  
UMAL'S TECHNICAL  
RISK MANAGER



### Mike Stones assesses the updated Noise at Work Regulation.

'In April 2008 the updated Noise at Work Regulation will apply to the music and entertainment sectors. For Higher Education it may mean the application of new control measures. The new legislation considerably reduces the lower exposure action value from 85 dB(A) to 80 dB (A) for a daily of weekly personal exposure.

Existing noise assessments will need to be reviewed and updated if there has been a significant change in noise levels. If the exposures now fall within the new lower limits protective measures should be introduced in areas such as music departments and Student Unions.'

