

## INSURANCE DEBATE

Mr. Mayor, the reason for this motion is because recent events have demonstrated to an increasingly wide range of our community just how resident-unfriendly our insurance practices are - which is bringing us into disrepute. We are therefore asking for a review of our insurance policies to make them more transparent – and to ask the registered housing providers in the Borough to do likewise.

This resident-unfriendly nature is no doubt directed by our insurers Zurich, but the Council does have significant discretion to act otherwise. It is perfectly able, for example, to compensate residents who have experienced loss through no fault of their own in situations where any reasonable person would have deemed the Council to be liable.

Indeed, it is interesting to note that in the last five years Zurich itself has made only one payment, in 2010, under the terms of the Council's policy. All other successful insurance claims have been met in full by the Council's liability for the first £250,000 of any compensation due.

The Council generally avoids compensating residents through a term in the Zurich policy that states: "the insurer will indemnify the Insured in respect of all sums which the insured may become legally liable for ...".

It is those two words "legal liability" that drive a coach and horses through the policy, allowing both Zurich and the Council to avoid almost any claim for damages – and placing the onus firmly on the resident who has suffered loss to prove liability – an easy cop out since residents generally do not have the time, the knowledge or the resources to take legal action against the Council.

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The motion cites four recent examples where our insurance practices have not only seriously disadvantaged local people but in two instances have also effectively shifted the blame onto the Tenant Management Organisation.

1. The inflation-busting premiums that the Council negotiated on behalf of TMO leaseholders which they had no power to influence or to reject. This is not open and transparent government.
2. The tree that crushed a car in Colville Square, where eventually the car owner won by demonstrating that the Council knew this tree was at risk but had decided not to cut it down because of protests from residents.
3. The number of residents who have slipped and hurt themselves because wet leaves on York Stone make pavements particularly treacherous. Some had to take time off work, sometimes unpaid, to recover. Others, like my colleague Cllr. Dent Coad, had to endure hospital care to deal with their injuries. In such instances the denial of liability is absurd, since leaf fall can be anticipated, rainfall can be anticipated and consequently the Council's duty to keep its pavements free of leaves can also be anticipated. This argument should be tested in court, but sadly residents do not have the will to pursue a legal challenge.
4. And the most disgraceful case, that of the power surges at Grenfell Tower which destroyed electrical equipment belonging to half the residents of the block, and including food stored in refrigerators and freezers.

This is a clear case where the Council should have exercised its discretion in favour of residents. These are some of the poorest and most disadvantaged people in the Borough - hard pressed families with little money to spare, working in very low paid but essential occupations - and to add insult to injury,

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who are also at the forefront of wholesale disruption caused by the construction of the Kensington Academy and the new Leisure Centre.

Instead, it was left to the financially hard-pressed TMO to offer them each a goodwill payment. As a responsible freeholder, the Council should have accepted this responsibility to its tenants and not leave the need for “goodwill” to its managing agents. This wilful disregard of a local community has lost the Council credibility, not just with these residents, but also the wider Lancaster West community. Leaving hard pressed hard working families to bear the brunt of these events is a callous response to some of the poorest members of our community from the richest Council in the country.

Not only that, but in the Grenfell Tower case the Council denied liability before the reasons for the power surges were identified. This smacks of very sharp practice and demands an explanation. Indeed, this demonstrates that the Council’s immediate knee jerk response to any claim is to deny liability, along with an expectation that it can get away with it because residents by and large can’t and won’t take legal action against it.

It is time, then, that we had a thorough review of our insurance policies and our insurance practices – so that they are transparent, amenable to resident involvement and most importantly that they properly meet the needs of those whose well-being we purport to represent.

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