

# CoverNotes

The magazine of The Insurance Institute of Leeds

June 2016



## Carlisle flooding

Adam Burgin gives us  
a first-hand account of  
the devastation

- ▶ President's Report 2015-16
- ▶ Fraud Watch
- ▶ 2015 Annual Dinner

The Insurance Institute of  
Leeds



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# Welcome from the President

Welcome to this edition of CoverNotes which is the first of my Presidential year.

**Providing CPD, social and networking events for our members is our primary focus for the next 12 months.**

You will note that there are some differences in this edition of CoverNotes giving greater visibility to the programme of events we are putting on thus enabling members to plan any CPD and other events they may wish to attend a little more in advance. You will see on the page opposite events that are already planned until the end of the year and we are actively looking to add to these.

More details of the events are always available by visiting our website [www.cii.co.uk/leeds](http://www.cii.co.uk/leeds). If you have not already checked out what information can be found on the website, please take a look and you will see it includes loads of useful information, not only on forthcoming events but also on other subjects including news, audio CPD presentations and previous events.

Although I know most of you already receive emails advising of events around a month in advance of the events, we know that we do not have up to date email addresses for around 40% of our members. If you do not already receive our emails but wish to do so, details of how you can get onto our distribution list can be found at the bottom of page 3 under the headline "Didn't you get the email?"

As well as ensuring that you receive emails about events that the Insurance Institute of Leeds put on for you, if you register your current email address with us you will also receive a monthly email advising of other CPD events being put on by neighbouring institutes in the region which may also be of real value to you.

Last of all but not least of all, I must say how honoured and privileged I am to have been elected as President of the Insurance Institute of Leeds for the upcoming 12 months. I have served on Council for 7 years now and cannot remember the institute being stronger at any previous point during that period. For this I am grateful to all members of Council and specific thanks must go to my predecessor as President, Bernard Thornton, who worked tirelessly throughout his tenure of office to put the institute in such a strong position. Thanks for our very healthy position must also go to Stuart Robertshaw, Rachel Morrison and Kajal Kaur for their respective contributions as Education Secretary, Dinner Secretary and Social Team Leader last year.

**Clive Barchelor ACII**  
President, Insurance Institute of Leeds



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**DISCLAIMER:**  
"Any opinions expressed in this newsletter are those of their authors and do not necessarily reflect the opinions of the editor or the institute"

# CPD Lectures and Social dates for the diary

- ▶ **5th July**  
Harrogate Treasure Hunt
- ▶ **12th July 1pm-2pm**  
Questioning and Information Gathering for Insurance Professionals
- ▶ **14th July 6pm**  
Leeds Quiz, Toast, Westpoint, Wellington Street, Leeds
- ▶ **16th August 1pm-2pm**  
Promoting Equality and Diversity in the Workplace
- ▶ **6th September 1pm-2pm**  
Disaster Recovery
- ▶ **21st September**  
NERG half-day seminar. Proposed topic - The Insurance Act - Further details to be announced
- ▶ **28th September**  
Harrogate Quiz, Harrogate Cricket Club
- ▶ **5th October 12.30pm-2pm**  
Harrogate Lecture, Cedar Court Hotel, Harrogate
- ▶ **11th October 1pm-2pm**  
LinkedIn - are you making the best use of it?
- ▶ **4th November**  
Leeds Annual Dinner, Queens Hotel, Leeds
- ▶ **15th November 1pm-2pm**  
Provisionally a Presentation by the Charity Brake on the aspects of their work including advice on Road Safety and Fleet Risk Management
- ▶ **2nd December**  
Harrogate Annual Dinner, Majestic Hotel, Harrogate

Nb, All Lectures above will be held at Leeds Town Hall unless otherwise stated.



Didn't you get the email?



Update your preferences to make sure you receive details of our CPD and networking events. You can do this by contacting CII Customer Service on 020 8989 8464 or [customer.serv@cii.co.uk](mailto:customer.serv@cii.co.uk) or you can do it online at [www.cii.co.uk/amend](http://www.cii.co.uk/amend):

Log in to your profile, if you don't have an existing login you can quickly create one using the 'sign up' option.

Click 'edit my details' and add your email address in the required field.

Scroll down to 'data protection and privacy' section and un-tick the second box: 'sharing your data with local institutes'.

You will then receive emails from us for educational and career development purposes, and don't worry, we will never give your information to a third party.

# Insurance Institute of Leeds President's Report for 2015-16

As the 2015-16 institute year is now consigned to the history books, I can look back on a thoroughly enjoyable and satisfying year of office, and also look forward with confidence to the future of this fine institute of ours.

**I was extremely fortunate in having the support of a proactive Council, which was strengthened at the beginning of the year with 8 new members. This enabled me to delegate the hard work, whilst retaining the 'perks of the job' myself! In this respect we are lucky in being one of the larger institutes in the UK, as there are many smaller institutes where a very few individuals have to do all the work. I thank all members of Council for their input and am pleased that most of them have agreed to continue their good work in 2016-17.**

In particular, the work carried out by the Officers and Team Leaders has been invaluable:

**David Ross**  
Secretary

**Ted Matson**  
Treasurer

**Richard Hobson**  
Chair of the Management Team

**Peter Moran**  
Examinations Officer

**Kajal Kaur and Michelle Gilmore**  
Social and Charities

**Rachel Morrison**  
Dinner Secretary

**Kunal Moonosamy**  
Equality and Diversity Champion

Thanks are also due to the CII's Regional Membership Manager, Sandra McDonald and her administrators for their support and co-operation during the year.

My special thanks go to your newly elected President Clive Batchelor. Clive not only gave me great support throughout the year as my Deputy, but also ensured that the highest examination and Continuous Professional Development (CPD) standards were maintained when he took over responsibility for the team in mid-year.

Along with exams, the provision of CPD is the most important aspect of the institute's work. In 2015-16 I believe we provided members with a high quality programme, covering a wide range of subjects. We made a conscious effort to be as inclusive as possible, with many of our sessions being of interest to both the General and Financial Services membership.

In addition to the usual lunchtime lectures, we tried to vary the format a little, for instance with tea time sessions and joint events with our friends in neighbouring local institutes.

The Harrogate Local Committee developed strongly, with very topical CPD sessions and excellent social events throughout the year. Congratulations to Andy Baker and his team.

“Along with exams, the provision of Continuous Professional Development is the most important aspect of the institute's work”



The Annual Dinner was, as always, most enjoyable and I thank our hard-working Dinner Secretary Rachel Morrison for her sterling efforts in making it so. However, in a few cases standards of behaviour left something to be desired. For the future it would greatly assist the organisers if table hosts could make clear to their guests exactly what standards are expected at the dinner. To be clear, indulging in conversations at the table and in some cases leaving the room altogether, whilst the speeches are in progress is simply unacceptable. Such behaviour is disrespectful to the institute, the speakers and the vast majority of guests who wish to listen to the speeches without distraction.

Whilst it is good to welcome new blood to the Council each year, we inevitably have to say goodbye to members who have chosen to leave for a variety of reasons. I would like to thank all those who stepped down this year and also Stuart Robertshaw, who has served for many years in the role of Education supremo, which he has now relinquished. We are very pleased that Stuart intends to continue on Council as Charities Representative.

In closing, I would like to thank members for their good wishes and friendship throughout the year. I wish Clive every success and I hope he enjoys his year of office as much as I have mine.

**Bernard Thornton FCII**  
Chartered Insurance Practitioner  
President, Insurance Institute of Leeds,  
2015-16

# Brake

## our 2016/17 Nominated Charity



Every day, five families get the devastating news that a loved one who maybe left for work or school that day, or headed out with friends for an evening on the town, is never coming home. Deaths caused by road crashes come without any warning and are violent and shocking. Brake is here to give both emotional and practical support to those left living a nightmare from which they will never awaken.

**You may notice the absence of the word “accident” in this piece. In the world of insurance you probably hear it multiple times each day. When it comes to road safety, it’s a word we never use. Road crashes are devastating and preventable events. Calling collisions “accidents” makes them sound like chance mishaps. Knocking over a drink, or dropping a pen, that’s an accident. Families whose lives have been torn apart by needless crashes tell us they feel insulted by the term.**

The suffering experienced by these families is the reason Brake works so hard to stop crashes happening in the first place. We encourage drivers, to sign up to the Brake Pledge. Drive slowly, stay sober and drug free, wear a seat belt, never use a mobile phone or even a hands free device and always get regular eye tests and never drive with uncorrected vision. We ask non-drivers to pledge to challenge the driver of any vehicle they are in as a passenger.

Many charities face terrible struggles and even seemingly insurmountable problems but Brake’s goal of a world with zero road deaths is achievable. It’s a problem we already know how to fix. The evidence is out there, we see working examples of best

practice in road safety in many parts of the world. We now just need to convince the law makers and law breakers here in the UK that safe driving and indeed less driving is not only better for us all as individuals, it’s better for the planet too.

Thank you so much for choosing Brake as your nominated charity and supporting us as we battle to save lives. Every crash stopped is an injury prevented, a family saved, and the support given by our

fantastic helpline team saves lives in a different way. Your backing means there will always be a voice at the other end of the line for those left suddenly bereaved, bereft and bewildered saying “I’m here, I’m listening, you’re not alone, we can help.”

Alice Bailey

Campaigns and Communications Officer,  
Brake, the Road Safety Charity



slow



silent



sober



sharp



secure



sustainable



2015 Leeds Annual Dinner photos



# Harrogate Committee Quiz

The Harrogate Committee hosted 55 local institute members at The Balcony, Harrogate Cricket Club for an evening Spring general knowledge quiz including the always popular picture rounds and questions across a number of topics.

**As champion of the previous quiz, Mark Wilding was tasked with setting and delivering the questions in partnership with Julia Wilding.**

The two quizmasters masterfully kept the evening flowing and the teams in-order. There was a (wide) range of eventual scores across the nine teams that took part and the night was won by a tag-team of Hendersons & Leopard Insurance followed by Pen Underwriting taking the second place prizes. £110 was raised for The Insurance Charities and the Harrogate Committee would like to thank all that attended for making the night a success.



▶ Left to right: Nick Savage, Jess Kelly, Francisco Sandoval (Henderson), Sarah Huntridge, Paul Reay, Steve Hall (Leopard)

The Insurance Institute of Leeds



The Queens Hotel, City Square, Leeds  
Friday 4th November 2016



For sponsorship opportunities and all other Annual Dinner enquiries, please contact [rachel.morrison@allianz.co.uk](mailto:rachel.morrison@allianz.co.uk) or [leedsinstitute@cii.co.uk](mailto:leedsinstitute@cii.co.uk)

Further information can found at on our website: [www.cii.co.uk/leeds](http://www.cii.co.uk/leeds)

The Insurance Institute of  
**Leeds**





# Carlisle flooding

“it's not about the house or how it looks, it's about my life and how I need to rebuild it again”

Home Customer

My experience of the impact of floods was extremely limited; I had, like most of you seen rescue boats sailing down residential streets, cars floating upside down and watched vulnerable customers being winched from their bedroom windows by the RAF but it wasn't until I became a member of the DLG surge taskforce that I got my first exposure what life on the front line is like.



**My experience increased quickly through the devastation many of our customers homes were exposed to through the Desmond, Eve and Frank storms.**

Whatever I had pictured from meeting calls or the news, nothing could have prepared me for the customer visits I undertook in Carlisle recently.

The sun was shining and when I arrived in Carlisle I was pleasantly surprised by how well the city looked, the last image I had was of the torrent of water running down the main streets of Carlisle like white water rapids, but it was only when I embarked on a tour of the streets (many of which were underwater for up to 72 hours) that I could

begin to understand the impact the floods have had on our customers.

Street upon street were lined with skips and every house had some sign of 'marking', whether this was a large red cross spray painted on the front window or a plastic tube tied around the door knob or simply a sign in the window adorned with the word 'contaminated' - all of these markings representing the devastating impact Desmond had.

The first customer I met had been a Carlisle resident for over 70 years, she had remained in the same house for the past 20 years and deemed herself to have been lucky to have avoided the floods in 2005.

This was the first insight I had in to the devastation that flooding causes, the homeowner was given 12 hours notice and had managed to preserve many of the items she held dear, but the heavier items had to be left and had subsequently been destroyed, she was particularly upset about the Aga range cooker which had stood pride of place in the house kitchen for over 50 years.





Many homeowners didn't want to leave their home; they had friends who had experienced burglary whilst in alternative accommodation and whilst their home was untenable, the fear of the theft of their valuables was too strong. Homes were secured with large stainless steel padlocks, the fear of their home being looted when seeking respite from the floods led them to extreme measures.

What type of people burgle the homes of their flooded 'neighbours'?

The next customers I met had 4 feet of water in their home, sadly, this was the second time they had been the victim of flooding in the last 10 years.

They were delighted to see us, I feared this was a reflection of a possible lack of prior engagement, but nothing could have been further from the truth, he had a spring in his step, his AA was in place and the couple were making plans on the next stage of their claim, picking a kitchen and water closet suite.

The next customers I met had 4 feet of water in their home, sadly, this was the second time they had been the victim of flooding in the last 10 years.

He had lived in the house since birth, some 72 years earlier, and had spoken about the 'new' houses which had been flooded, but had knowingly been built upon a flood plain, before his wife interrupted him to remind him that their 1920's built semi had also been built on a known flood plain 90 years earlier!

The couple were fantastic, both in their late 80's but resilient to the core, he was particularly fond of his sheds (he had 4) and was in the process of cleaning many of the tools our loss adjustors had told him would be replaced. He didn't want them replacing, in his words "they were like gold to him and had only been covered in muck", "we don't want to take advantage, we're only claiming for what we need"

The only indication that a kitchen ever existed is the pipe work you can see on the side wall, where once a sink was placed and the remaining units which were high enough not to be saturated by the flood water.

He then produced a ring binder full of papers, this for the first time for me, tangibly showed the number of instructions a customer can expect when they suffer a flood, perhaps he is more diligent than most, but the paperwork would have tested even the best administrators.

## Summary

One of my primary objectives is to provide propositions that our customers value and want to buy, from the experience I gained and following the lengthy engagements I had with our customers it feels like we're getting it right when things go wrong for our customers, especially where flooding occurs.



The only indication that a kitchen ever existed is the pipe work you can see on the side wall, where once a sink was placed and the remaining units which were high enough not to be saturated by the flood water.



I reflected positively on comments our customers made about some of our response, and the benefits of having access to a field support team or a disaster recovery unit, and as one customer has told me earlier in the day "you can't put a value on seeing the man you've paid your insurance premiums to when you need them the most".

The vast majority of the feedback was positive.

I would recommend a field visit to those who have not had chance to do this previously, its probably best to wait for the next major weather incident, which sadly, I'm sure won't be too far away.

Adam Burgin

Head of Partnerships Proposition,  
Direct Line Group

# Fraud Watch

QBE successful in private prosecution for attempted £300,000 fraud

**QBE Business Insurance achieved further success in its fight against casualty fraud when a private prosecution under the Fraud Act 2006 resulted in a 12 month custodial sentence.**

An Employer's Liability claim seemed at first to be a straightforward leg fracture, so when the claimant, Mr Kittle, alleged



significant incapacity and claimed £300,000, QBE took the decision to investigate further. This decision was vindicated when surveillance evidence showed Mr Kittle had grossly exaggerated his level of injury and incapacity. The original Employer's Liability case looked to be heading for trial, but was struck out. Upon full consideration of the evidence, QBE took the decision to proceed with a private prosecution against Mr Kittle.

Matt Lacy, Director of Casualty at QBE commented: "Insurance fraud, once the exclusive domain of personal motor, is now on the increase in Employers' Liability. This latest case comes on the back of other well-publicised attempts to defraud our clients and QBE of substantial amounts of money. The continued success of our Special Investigations Unit underlines their experience to identify attempts to defraud and a dedication over the long term to collate all available evidence and bring the perpetrators to justice."

Gary Kittle fell from a ladder while at work for QBE's client, in November 2008. SLS Crawford handled the Employer's Liability claim on behalf of QBE.

However, the claimant asserted that he had not worked since the accident and that he was unable to climb ladders, preventing his return to his pre-accident job or any other form of work. This was supported by signed Particulars of Claim, a Schedule of Loss (c£300,000), replies to Part 18 Questions and a witness statement. Given the disparity between QBE's evaluation of the claim and the claimed amount, QBE undertook further investigations, led by its Special

The continued success of our Special Investigations Unit underlines their experience to identify attempts to defraud

Investigation Unit in conjunction with SLS Crawford and Plexus Law between 2010 and 2013. It included surveillance which went on to show the claimant involved in heavy manual work (roofing) and also push starting his work's van.

In January 2014, it seemed that the case was proceeding to trial. Following a Case Management Conference the court required the claimant to provide additional pre-trial details and pay a court fee of £1,500. The court's directions were subject to an Unless Order, breach of which would result in the claim being struck out. Mr Kittle failed to meet the directions and his claim was struck out. He was then ordered to pay the defendant's costs in excess of £25,000.

With the civil aspect to the claim concluded, QBE issued a private prosecution against Mr Kittle for attempted fraud under the Fraud Act 2006. The case was heard on 2nd October 2015 at Guildford Crown Court when Mr Kittle pleaded guilty to attempting to defraud QBE. The court heard how Mr Kittle suffered an injury at work but then got greedy and grossly inflated his claim by alleging that he could no longer work. Surveillance evidence from The Cotswold Group showed otherwise. Judge Critchlow spoke about the need for litigation being open, transparent and honest, or the system would be undermined. The judge sentenced Mr Kittle to an immediate 12 months custodial sentence.

**Charlotte Gray Cert CII**

Claims Analyst, Technical Claims - SIU,  
QBE European Operations

# Conduct Regulatory Changes



## Insurance Distribution Directive (IDD)

The IDD must be transposed into UK law and regulation by 23rd Feb 2017. The main consideration for CII members would be the requirement for staff involved with the distribution of insurance to complete 15 hours of CPD activity per year. Whilst CII members will already be familiar with CPD requirements, it is not clear at this stage whether the activities included for the purposes of the IDD will be in any way similar to those of the CII or whether this would represent additional annual learning.

## Consumer switching

The FCA is consulting on proposals to include last year's annual starting premium on a customer's renewal invitation along with statements encouraging consumers to shop around. The FCA is concerned about consumers paying over the odds for their insurance products due to inertia and believe that higher levels of switching promotes competition in the best interests of consumers. Perhaps a less obvious observation from this consultation is the thinly veiled threat of price caps should

these treatments not increase levels of switching. Last year, the Government consulted on the introduction of switching principles to make it easier for consumers to switch products. The proposals include provider-led switching whereby the provider gaining the new business would be responsible for obtaining information from the previous/current provider and cancelling any existing contract. The costs associated with the suggested principles could outweigh any benefit for insurance customers who already switch in far greater numbers than any of the markets analysed in the consultation.

## Add-ons and value measures

Following on from the FCA Market Study of add-on products, the regulator has now banned firms from selling add-ons via the opt-out method (most commonly in the form of pre-ticked boxes online). They have also announced a pilot to publish measures of product value for core and add-on products on their website. Firms will be required to provide claims frequencies, average claim pay-out and claims acceptance rates (with a potential to include average premium for

contrast). The FCA expects publication of these measures to create competition pressures that will lead firms to improve value for consumers and help them to identify any products that may present poor value and require investigation.

## Advice

A number of legislative and regulatory powers are undertaking work to explore the provision of advice in financial services purchases. The emergence of automated advice, or robo-advice, and concerns over a widening 'advice gap' where those needing advice cannot access or afford the appropriate level of quality advice at the right time, mean that it is more important than ever for industry to focus on the competence, capability and professionalism of insurance specialists whether products are sold on an advised basis or not. General insurance was placed out of scope for the government's joint Financial Advice Market Review (FAMR) with the FCA, but given the FCA's ongoing focus on consumer vulnerability, smarter communications and consumer understanding of the products they purchase, there remains an undertone that consumers may need more guidance (not regulated advice) when making informed decisions on what insurance products to purchase. The CII has a key role to play in supporting the industry to drive up standards and ensure that consumers understand their insurances.

## The role of Appointed Representatives and Outsourcing

The FCA has placed focus on various consumer-facing agents working on behalf of insurers and is about to publish a paper specifically on the role of appointed representatives. Alongside the upcoming Competition Markets Authority review of PCWs, this signals a desire for regulators to explore consumer outcomes when interfacing with various agents and how principles ensure fair outcomes are being delivered.

The CII has developed an Insurance Made Simple website to provide easily accessible and straightforward information for customers wanting to learn about insurance, visit [www.askciind.com](http://www.askciind.com) to find out more

## Andy Harrison Cert CII

Regulatory Risk Manager,  
Direct Line Group



Looking for new  
additions to  
your team?

[www.iauk.co.uk](http://www.iauk.co.uk)

