



Driving down the cost of claims by handling the insurance function in-house

Sheffield City Council

Over the last 5 years Sheffield City Council has transformed their Insurance and Risk Team claims handling processes achieving premium savings of more than £1 Million.

JC Applications Development Ltd

- 18 years experience in providing claims and risk management solutions
- Over 160 clients in the UK, Europe and the US
- Claims handling application can include; Premium Apportionment, Triangulation, Asset Register, Electronic Data Exchange GIS Gazetteer On line claim submission Health & Safety module.

Background

With a population of 534,500, the City of Sheffield is England's third largest metropolitan authority in the country. As such, it has responsibility for the full range of local authority services.

The Insurance and Risk Team is made up of 10 posts. The team place insurance on behalf of the authority and deal with claims made against the Council (eg motor vehicles, the public tripping on the highway and physical damage to their properties). The team is very proactive and spends a lot of time working with portfolios to help them manage their risks to help bring down the cost of claims and premiums which means more money for front line services.

As with most large authorities, Sheffield City Council carries large deductibles on its insurance policies, £250,000 on property and liability. The vast majority of claims are handled in house which means about 1,500 cases per year.

Before the introduction of LACHS the Council used a system provided by an insurance company. The data on the system had been inconsistently recorded and the system didn't offer the enhanced flexible reporting required to help monitor performance and drive down the cost of claims.

In 2005 a new manager was appointed for the Insurance and Risk Team. Part of her brief was to lead the team's transformation, to bring in a new structure and new working practices that would make the team amongst the best in the country delivering a modern and efficient service. One of the other key targets was to bring down the cost of insurance.

Solution

It was recognised that the Council needed not just a database of claims but an integrated system that would allow for proactive, efficient claims handling. Only a specialist claims handling system would allow this to be achieved.

The system in place also had to allow for very flexible reports to be produced. This could not be achieved by using Excel or other generic software that was available within the Council.

A full tender exercise was carried out to select a new claims management system. After evaluation JCAD came out as the best option.

'The main distinguishing feature of JCAD LACHS was its flexibility in reporting which was a key requirement for Sheffield.

During implementation JCAD actively worked alongside the Council's team to help us achieve what was a very successful outcome.

Subsequently, JCAD have continued in the same fashion; they are always approachable and friendly. As they are a relatively small organisation we benefit from consistency in personnel.'

Diane Tomlinson
Strategic Insurance Manager



Sheffield City Council

'Since 2005 premium savings of over £1 Million has been realised, this can all be indirectly linked to the implementation of LACHS'

JCAD

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Results

LACHS enables Sheffield Council to implement an efficient claims handling process.

Sheffield immediately log all claims together with supporting documentation in a central repository which provides accurate and up to date information of outstanding liabilities. Additional information to monitor litigated claims and specific data can be captured through custom fields. Populated templates have also produced significant time savings when generating documents such as letters and emails. A standard acknowledgement letter can now be produced through LACHS up to 70% faster.

LACHS has allowed performance to be comprehensively monitored.

Bespoke reports can be generated in house to meet individual portfolio requirements. Management information is now available to make informed decisions to target risk management which has decreased the number of claims.

Sheffield has also been able to 'market, itself confidently to insurers.

Since 2005 premium savings of over £1Million have been realised, this can be indirectly linked to LACHS.

LACHS has driven down the cost of insurance claims.

Good work has been seen across the Council, but most notably is one portfolio has seen a reduction of approx £2.56 Million in the amount charged for insurance and the cost of claims due to improved risk management.

If you would like further information on JCAD LACHS or any other of our products please contact us on:

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The Future

The fact that LACHS is used by so many other large local authorities has made sharing of ideas and best practice easier. We continue to have regular contact with other users such as Newcastle, Liverpool, Nottingham and Rotherham all of whom are very helpful in terms of sharing their experiences. This has enabled us to restructure and redesign processes to make the best use of the LACHS functionality.

The next step for Sheffield City Council is to move to paperless claims handling, with all incoming post being scanned and saved in LACHS.

This is a massive change in culture and way of working for the team. There is still a lot of groundwork to be done to make it happen but we are confident that we will be able to make it work and generate further efficiencies and savings in the claims handling processes.