Oxford Mutual Ltd: Risk management and insurance

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Oxford Mutual Ltd (OML)

**Discretionary** vehicle through which insurances are managed

Board of Directors: David Holmes (chairman), David Bryan, Alan Kendall, Giles Kerr, Paul Goffin and Tim del Nevo

Members: The University of Oxford and its wholly owned subsidiaries

OML self-insures first £100,000 of each and every claim - departments responsible for a proportion of this

Enables: Potential for wider participation  
Ownership of risk  
Clearer focus on claims  
Reduction in premiums  
Gradual build-up of surpluses  
Effective risk management

OML provides an integrated risk management and insurance strategy and improves risk governance by aligning the insurance programme with the University’s current and emerging risks
Insurance policies

- Buildings and contents ‘all risks’
- Motor
- Travel
- Employers’ liability
- Public liability
- Professional indemnity
- Clinical trials (not OML)
- Other: Engineering, Crime, Governors Liability, Terrorism
OML and risk management

- Risk profiling
- Sustainable insurance risk management strategy
- Sprinkler systems
- Lifts / pressure vessels
- Claims management
- Water risk review
- Risk management funding
Claims management

- Improved reporting
- Identification of risk hot spots
- Claim trends analysed
- Large or complex claims
- Discretionary powers
- Lessons to be learnt
Split of claims across classes of insurance

(average over 3 years)

- Motor, £24,000
- Liability, £164,000
- Property, £129,000
- Travel, £72,000
Cause of motor accidents

- Own driver: 61%
- Third party: 20%
- Windscreen: 12%
- Unattended: 7%
Cause of liability claims

- Slip Trip and Fall: 58%
- Attack: 2%
- Hit By: 4%
- Manual Handling: 12%
- Deafness: 1%
- Prick / Stab: 14%
- Harassment: 1%
- Stress: 8%
Cause of property claims

- Theft: 17%
- Malicious Damage: 11%
- Fire: 6%
- Tree roots: 3%
- Water Damage: 11%
- Accidental Damage: 52%
Laptop losses

- Theft - unsecured location: 33%
- Theft - University premises: 27%
- Theft - employees home: 23%
- Dropped: 11%
- Liquid spillage: 6%
Overall claims development 2006 – 2013

(OML Cost)

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost £K</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006/07</td>
<td>473</td>
<td>94</td>
</tr>
<tr>
<td>2007/08</td>
<td>295</td>
<td>96</td>
</tr>
<tr>
<td>2008/09</td>
<td>465</td>
<td>110</td>
</tr>
<tr>
<td>2009/10</td>
<td>396</td>
<td>137</td>
</tr>
<tr>
<td>2010/11</td>
<td>386</td>
<td>126</td>
</tr>
<tr>
<td>2011/12</td>
<td>352</td>
<td>90</td>
</tr>
<tr>
<td>2012/13</td>
<td>164</td>
<td>93</td>
</tr>
</tbody>
</table>
A practical example: water risk review

- Identification of the risk – claims 2006 – 2012
- Analysis of the losses
- Action taken
- Improvement of the risk – claims 2006 - 2014
Identification of the risk
Property damage claims 2006 - 2011

Cost £

- 300,000
- 250,000
- 200,000
- 150,000
- 100,000
- 50,000
- 0


Fire  Accidental Damage  Water  Theft/Malicious Damage

50,000 100,000 150,000 200,000 250,000 300,000
## Analysis of the losses

<table>
<thead>
<tr>
<th>Causes</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flooding</td>
<td>Drying out time</td>
</tr>
<tr>
<td>Roof leak</td>
<td>Repair costs</td>
</tr>
<tr>
<td>Burst pipes</td>
<td>Long lead-in times</td>
</tr>
<tr>
<td>Outside taps</td>
<td>Loss of use / business interruption</td>
</tr>
<tr>
<td>Maintenance / accidental</td>
<td>Loss of research income</td>
</tr>
<tr>
<td>Leaking appliances</td>
<td>Loss of future income</td>
</tr>
</tbody>
</table>
Action taken

Work with Estates Services
• Trace heating
• Outside taps
• Ventilation grills

Land Agent – rural estates

Risk Forum

Winterisation

High-value equipment water risk review
• Surveys
• Improvements
• Business continuity
Improvement of the risk
Water damage claims 2006 – 2014

Cost £


Water Damage Claims
OML risk management funding
50 initiatives supported amounting to £200k of funding

- Medical Sciences: 19%
- Humanities: 14%
- MPLS: 1%
- Museums & Libraries: 24%
- Subsidiary Companies: 1%
- Social Sciences: 12%
- UAS: 33%
OML risk management funding

Funding by type of initiative

- Personal Security: 3%
- Business Continuity: 6%
- Travel Safety: 1%
- Motor Safety: 14%
- Risk Management Awareness Training: 7%
- General Security: 69%
## Risk management funding: examples

<table>
<thead>
<tr>
<th>Risk Management Activity</th>
<th>Funding Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCTV</td>
<td>Safe</td>
</tr>
<tr>
<td>Fencing</td>
<td>Travel / fieldwork safety training</td>
</tr>
<tr>
<td>Intruder alarm</td>
<td>Risk management workshop</td>
</tr>
<tr>
<td>Business continuity consultation fee</td>
<td>Driver training</td>
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<tr>
<td>Panic alarm</td>
<td>Freezer alarm system</td>
</tr>
<tr>
<td>Window bars</td>
<td>Access control</td>
</tr>
<tr>
<td>Communication radio</td>
<td>Improved lighting</td>
</tr>
</tbody>
</table>
OML risk management funding

How to apply:

www.admin.ox.ac.uk/finance/insurance

- Provide a full description of the risk and the proposed initiative
- Detail how you envisage this will reduce the risk. Where applicable, provide details of previous incidents and claims relating to the risk.
- In relation to security matters, consult University Security Services Crime Prevention Design Advisor (CPDA)
- Provide 2 quotations for the work
- Initiatives relating specifically to health and safety should be referred in the first instance to the University Safety Office
- Work relating to maintenance and the management of risk within refurbishment or capital projects will not be considered
Conclusion

- Take ownership of risk
- Insurance is not a replacement for risk management
- Insurance is there to deal with the unexpected
Contact us

University insurance website:  
www.admin.ox.ac.uk/finance/insurance

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QUESTIONS?