



INTRODUCTION

As the saying goes where there's blame there's a claim. Statistics tell us that a compensation culture is thriving and the Church of Scotland is sadly not immune to the consequences.

In Scotland and the wider UK generally the numbers of compensation claims are increasing together with the size of personal injury settlements that the courts are awarding.

There are several reasons for this which we will outline later but the increase in court awards in both numbers and size is undeniable. A major insurer recently announced that the effect of a change to the discount rate (see below) resulted in an increase to a personal injury claim reserve from £6.8m to £10.7m.

As your insurance broker it is our duty to keep you informed about these developments and ask you to consider whether a change is needed to your Public or Employers' Liability indemnity limits.

WHAT ARE THE STANDARD LIABILITY INDEMNITY LIMITS UNDER THE CHURCH SCHEME?

The standard indemnity limits under the Church Scheme are as follows:

Employers' Liability £10m

Public and Products Liability £10m *(From 01.01.19)*

These limits of indemnity represent the maximum payable including any costs and expenses arising from any one claim or series of claims arising from a single incident.

Costs and expenses referred to above include things like fees for representation at an inquest or fatal accident inquiry; the costs associated with proceedings relating to any alleged breach of statutory duty, and; any claimant's legal costs for which you become liable.



Claims following slips and trips are on the increase.

THE OGDEN DISCOUNT RATE

The discount rate is a factor used in the calculation of the amount of compensation someone receives should they be severely injured.

The objective of the rate chosen is to make sure a severely injured person has the necessary financial security to provide for their care and loss of earnings. The discount rate is a factor used to calculate the amount of compensation they receive. It reflects the return that can be earned when the money received is invested.

Whilst it is once again under review the most recent downward shift has caused very significant increases in the reserves insurers hold against outstanding claims and in the total settlements of claims currently in the system.

With the rising costs of claims and the increasing willingness of individuals and groups to litigate we recommend that you regularly review your limits of indemnity.



WHAT FACTORS SHOULD WE TAKE INTO ACCOUNT?

The starting point is to think about the nature and scale of the activities you undertake and the services you provide.

The more wide ranging those activities for example in the form of the provision of outreach support to the community, the more potential risk that is involved. It may range from youth work, to parish nursing, to the provision of a night shelter to any number of activities. At its simplest it is the operation of a busy cafe. All bring additional risks which might require increased indemnity limits.

Similarly, scale is also important. What numbers do you have attending services? Are your buildings used for concerts or other civic events at which important dignitaries might attend? Some church locations are being used as a backdrop for historical dramas involving well paid foreign actors, which brings a further level of exposure.

What about visitor numbers, do you have large numbers of visitors including those from overseas in your church?

How many employees do you have? What about the number of volunteers you have helping at the Church. What are the nature of the activities you ask them to undertake on behalf of the congregation?

We would recommend that you think about your circumstances and contact us if you would like a quotation to increase your limits of indemnity.

FOR FURTHER INFORMATION REGARDING THESE GUIDELINES OR ANY OTHER MATTERS RELATING TO YOUR CHURCH INSURANCE SCHEME POLICY PLEASE CONTACT US.



It is not as expensive as you might imagine to increase the limit of indemnity.

TO OBTAIN A QUOTATION

Please contact us on the number provided and we will be able to arrange a quotation very quickly with just a few background questions.

Similarly if you wish to have a discussion regarding any of the points mentioned in the circular do please give us a call.

To access other circulars in the Church Guidelines series please click [here](#).

Please call us on: 0131 220 4119
If you prefer you can e-mail us at: enquiries@cosic.co.uk
Or visit our web site at: www.cosic.co.uk

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