

# Social welfare claims examples.

## Inadequate management control, communication and reporting

A youth services company received allegations of sexual harassment and abuse amongst a group of service users.

A claim was made on the basis of failure to protect service users from harm. Markel followed up the claim to investigate the nature of the management of the organisation, reporting procedures and compliance for the period in which the alleged incidents took place.

Investigations discovered that management had inadequate lines of communication between carers and the management team. Reporting lines were poor and one particular member of staff was behaving inappropriately.

Follow up work was undertaken by Janjer Ltd, (a service provided on Markel's behalf for specified policyholders). This dedicated consultancy work helped the policyholder establish proper lines of communication and effective reporting procedures.

## Claim for theft by employee

A long serving finance manager employed by our insured was responsible for the approval and processing of BACS transactions recommended by the credit control team.

Over a ten year period bogus payments of £3,000 to £5,000 were added to the daily BACS run with payments being made into accounts controlled by the manager. The loss was discovered while the employee was away from work in unforeseen circumstances and a review of systems / processes was undertaken.

Markel liaised closely with the insured and the police. The employee received a three year jail sentence and Markel recovered £127,905 through enforcing the sale of the fraudster's assets.

Handling this claim cost Markel £12,165 just on adjusters and solicitors fees to investigate, verify loss and pursue recovery.

Across all aspects the claim payments amounted to a total of **£479,173**.