



*Healthcare  
Charities*

Mitigating risk and defending claims  
in a changing landscape

# Protecting the wellbeing of health charities

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## How managing risks and improving claim defensibility can help

The past couple of years have been headline-grabbing times. The effects of Brexit, ongoing Covid-19 infections, and high inflation all pose burdensome challenges in the UK – and the healthcare sector has felt them more keenly than perhaps any other sector. The restriction of labour movement between the UK and European Economic Area (EEA) countries, along with the pandemic’s high demands on frontline healthcare workers, have magnified the onerous task of retaining staff. On top of that, inflationary pressures across the economy are generating energy costs that could become unsustainable, particularly for large residential healthcare facilities.

The National Health Service (NHS) – already strained before the pandemic – is facing unprecedented pressures as Covid-19-related hospitalisations continue, patient waiting lists for elective procedures lengthen, and medical staff burn out and leave the profession. To help ease these burdens, the NHS requires the assistance of health charities. These organisations are critical pillars supporting the UK’s healthcare system, helping individuals better manage health problems and allowing state resources to spread further. As a report in *The Lancet* indicated: “Beyond direct service provision, charities have important roles in the health-care sector, from representing the patient voice and advocacy, to addressing socioeconomic disparities that can result in poor health and outcomes, to funding research and clinical trials.”<sup>1</sup>

But at a time when charities are competing for scarce resources, they, too, are feeling significantly greater pressure to deliver much-needed services. A Spring 2022 [report](https://www.probonoeconomics.com/second-wave-charities-and-the-spring-statement-2022) by Pro Bono Economics said that after two years of navigating the challenges of the pandemic, charities are now facing their own second wave: “The severe drop in living standards and squeeze on household finances will have major impacts on the people who rely on charities for a range of services –

from basic necessities to support with complex mental health needs. At the same time, charitable incomes will be impacted by inflation, by people’s ability to donate and by tighter departmental and local authority spending (with cash awards set out at last year’s Spending Review now being eroded by inflation).<sup>2</sup> This has created an environment of greatly heightened risk for health charities.

“The sector has been hit from a variety of angles,” said Alexa Johnson, National Development Underwriter from Travelers Europe. “Health charities have been unable to do traditional fundraising and have had to scale back on the services they offer. They have had staff unable to come to work and have also had to let go of staff who are not vaccinated. Then many of the service users themselves have been vulnerable to Covid in some way.”

It’s a critical time for health charities to understand their exposures and take steps to mitigate them as much as possible. Doing so can provide protection as important as their insurance policy itself.

“We’re not selling an insurance policy so much as a healthcare proposition,” said Mark Baldock, Portfolio Manager for Healthcare at Travelers Europe. “This includes educating customers about managing their risks effectively and improving their chances of claims defensibility.”

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Alexa Johnson

<sup>1</sup> [https://www.thelancet.com/journals/lanhae/article/PIIS2352-3026\(20\)30295-7/fulltext#:~:text=Beyond%20direct%20service%20provision%2C%20charities,funding%20research%20and%20clinical%20trials.](https://www.thelancet.com/journals/lanhae/article/PIIS2352-3026(20)30295-7/fulltext#:~:text=Beyond%20direct%20service%20provision%2C%20charities,funding%20research%20and%20clinical%20trials.)  
<sup>2</sup> <https://www.probonoeconomics.com/second-wave-charities-and-the-spring-statement-2022>

# Managing and mitigating risk

Upholding strong risk management policies can be difficult when many people in the healthcare sector work for minimum wage and don't necessarily have great loyalty to their job or employer. Staff turnover, which was high and posed challenges to healthcare even before the pandemic, has become more acute. Staff have left their jobs for higher-paying positions, not just within but also outside of the sector. Shortages have made health and safety practices that much more difficult to uphold, creating opportunity for risk.

"Healthcare Insurance relies on risk management being first-rate," said Baldock. "So we review the organisation's financials to determine how robust they are, ensure they have the right health and safety practices, follow proper recruiting and work practices, and have appropriate service-to-staffing ratios. Even as companies come under financial strain, they need to be able to pay staff and keep the lights on."

## Healthcare by the numbers

36%

Level of public satisfaction with the NHS – the lowest level recorded since 1997.<sup>3</sup>

105,000

Number of staffing vacancies advertised in adult social care in England in 2020/2021.<sup>4</sup>

34.4%

Care worker turnover in 2020/2021.<sup>5</sup>

400,000

Number of people in England awaiting an assessment of their healthcare needs, as of November 2021.<sup>7</sup>

## Improve your ability to attract and retain valuable staff

At a time when resources are tight, every action a health charity takes to minimise risk can help it operate more effectively. That includes finding and keeping staff on board. A survey<sup>8</sup> of healthcare employers found that the organisations with lower rates of staff turnover took a values-based approach to recruitment. These organisations used applicant interviews not only to assess a person's skills for the position, but also to understand their values and motivations.

As a result, these employers said:

- 72% of staff recruited for values performed better than those recruited using traditional methods.
- 62% of staff recruited for values had lower rates of sickness and absence.
- 58% of staff recruited for values were better at developing the skills needed for their role.

Once these employers hired their staff, they reported using some common approaches to retaining them. They said they were committed to:

- Investing in learning and development: 94%
- Reinforcing the values of the organisation: 92%
- Celebrating individual and organisational achievements: 86%
- Involving colleagues in decision-making: 81%



<sup>3</sup> <https://www.nuffieldtrust.org.uk/files/2022-03/bsa-survey-report-2nd-pp.pdf>

<sup>4</sup> <https://www.skillsforcare.org.uk/adult-social-care-workforce-data/Workforce-intelligence/publications/national-information/The-state-of-the-adult-social-care-sector-and-workforce-in-England.aspx>

<sup>5</sup> <https://www.skillsforcare.org.uk/adult-social-care-workforce-data/Workforce-intelligence/publications/national-information/The-state-of-the-adult-social-care-sector-and-workforce-in-England.aspx>

<sup>6</sup> <https://www.skillsforcare.org.uk/adult-social-care-workforce-data/Workforce-intelligence/publications/national-information/The-state-of-the-adult-social-care-sector-and-workforce-in-England.aspx>

<sup>7</sup> <https://www.adass.org.uk/>

<sup>8</sup> <https://www.skillsforcare.org.uk/Documents/NMDS-SC-and-intelligence/Research-evidence/Values-based-recruitment-Final-evaluation-report.pdf>

# Providing a strong defence of claims

Health charities can take steps to reduce the risks they face which can lead to claims by reviewing claim trend activity across the industry, as well as their own risk portfolio. Being able to demonstrate those steps to insurers can help them secure and retain cover. This includes having well-documented health and safety procedures, completing paperwork promptly following an incident, and recording what happened when it is fresh in the minds of the people involved.

In healthcare in particular, it's not uncommon for claims to occur because people in caregiving roles overexert themselves in an effort to be helpful – even if that means not following proper procedures.

“We often see claims from employees not using the available mechanic lifting aids, or using them incorrectly, either due to urgency of responding to the service user, or unfamiliarity with the equipment if they are new to the business.” said Alison Manley, Claim Relationship Manager at Travelers Europe. “The care givers are focusing on providing care, and don't always put their own health and safety at the forefront of their minds when moving a service user.”

Travelers studies claim trends and holds claim review meetings to let clients know what's happening, provide transparency behind claim decisions, and discuss how to apply any lessons learned. Key accounts can participate in a claim defensibility training course to help clients get a firm handle on claims and mitigate the exposures that generated them.

“We want to work with customers to stop claims in the first place,” Baldock said. “But when the inevitable happens, we

also want to help them defend it more successfully and get back up and running with minimal impact. We do this through a combination of our Specialist Risk Consultants and our award winning Claims Service.

The Risk Consultants will work with the customer throughout the lifecycle of the policy – both through site visits and online consultations – to minimise risk across the whole gambit of the organisation, be it to property, employees, third parties or reputation. This includes access to third party affiliate companies for complimentary or discounted risk management services and guidance on developing a full business continuity plan.

When an accident does occur – whether a formal claim arises or not – our claims team are on hand to minimise the impact to the customers business. For EL and PL claims, this involves working closely with our in-house nurses to manage the rehabilitation of injured parties ensuring the right treatment is received, at the right time, without delay. This allows for improving recovery times, decreasing the claim lifecycle and allowing our teams to proactively achieve claim settlements at the earliest opportunity.



## Team Teach: Helping Travelers step into the healthcare worker's shoes

Adults in care homes rely on stability and structure – qualities that can be in short supply when resources are scarce. Any slight change in the routine or in the staff surrounding the person can result in a challenging behaviour that leads to a claim. “We have been writing healthcare risks for over 25 years and the most common claims are assaults,” said Alison Manley, Claim Relationship Manager at Travelers Europe.

To ensure Travelers can best support the needs of residents and staff when visiting health charities, Manley said the company hires risk managers who are healthcare specialists, and has the claims team participate in training much like that required for staff working in healthcare facilities.

“Our claims staff receive training from Team Teach, a recognised de-escalation training seminar,” she said. “A lot of healthcare charities use Team Teach or a similar programme to help their staff minimise the risk of an assault or de-escalate other challenging situations. We have our claims team go through the training so they have the confidence and strategies they need to manage interactions with patients in healthcare facilities.”



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