

London Riots 6/7 August 2011 – Claims Notification Time Limits

Numerous insurance claims are being submitted today following the disturbances in London over the past weekend. If you have clients in this unfortunate situation or have cause to think you may be affected in some way, please take a few moments to consider this article to ensure that any potential material damage claim is not invalidated by the slightest of delays.

The current definition of a riot is codified in the Public Order Act 1986 (w/e/f 1987). The essential points of which are:

- 12 or more persons must be present together and use or threaten unlawful violence for a common purpose and the conduct of them (taken together) is such as would cause a person of reasonable firmness present at the scene to fear for his personal safety
- It is not necessary for the Claimant to show intent to use force to resist such opposition
- It is not necessary for anyone to be present and actually harmed

The local police authority has a legal responsibility to reimburse persons who sustain damage to property as the result of a riot under the Riot Damages Act 1886. The wording of the statute is explicit, in that any claim under the Act must “be made in writing and received by the local police authority within **14 days** of the alleged incident”.

Insurers will thus typically include within the Claims Notification Clause to the policy a requirement for any claim for riot and/or civil commotion to be notified to Insurers immediately with full supporting documentation within **7 days** of the incident occurring specifically to prevent a recovery action being turned down by the police authority on basis that the action is time barred. Insurers are entitled to recover their outlays under the principle of subrogation.

Policyholders should be thus be prepared for the fact that not only must they notify Insurers immediately of any damage but that of equal importance is the fact that they must be able to quantify and substantiate their losses with potentially both a schedule of loss and statement of truth within a week of the incident occurring.

Whilst the Act does provide for an application to be made to request an extension, the decision to provide this rests with the local police authority alone. We would anticipate that in the face of central government cuts that any police authority would look to resist any such applications as the time limits here provide a straightforward loophole for them to use to keep payments to a minimum.

The Act excludes liability for loss of damage to cars left on public highways, goods left in shops for repair and/or consequential losses. Also all claims will be assessed in accordance with common law, which may not correlate directly to the basis of settlement provided for by the insurance contract.

Should you require further assistance in this regard, please speak to a member of our team on 01384 37 55 55, all of whom have been fully briefed regarding the situation.