



UNLOCK
The National Association
of Reformed Offenders

UNLOCKing Insurance

Report for the ABI Working Party
on Access to Insurance

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www.unlock.org.uk

Insurance and Reformed Offenders

There are **7.3 million people** on the Home Office's Offender Index¹, around 99% of whom are in the community². Equal to one quarter of the working population, these parents, grandparents, children, employees and employers, constitute a significant part of UK life. However, under the current policies and practices, people with **unspent convictions**, and those that live with them, face exclusion from even basic insurance.

This can have serious emotional, social and economic consequences for individuals, families and society as a whole. The Government has identified that the biggest factors in reducing the risk of re-offending, which **costs the UK £11 billion a year**, are stable accommodation (20% reduction) and employment (33%-50% reduction), both of which require insurance.

Rehabilitation of Offenders Act (1974)

The 'ROA' sets rehabilitation periods during which past convictions are classed as *unspent* and must be disclosed to employers. These periods are **based on the sentence, not the offence or risk of re-offending**. These periods are much longer than the actual sentence.

Sentence	Length	Period (Adults)	Period (Children)
Prison/ YOI	More than 30 months	Forever	Forever
	6 months - 30 months	10 years	5 years
	Less than 6 months	7 years	3 ½ years
Community Service	Any	5 years	2 ½ years
Fine/ Compensation	N/A	5 years	2 ½ years
Absolute Discharge	N/A	6 months	6 months

Rehabilitation of Offenders Act (1974)

It states that after the period, "failure to disclose a spent conviction shall not be a proper ground for prejudicing in any way in any occupation or employment." However, anyone with a custodial sentence over 2½ years will **never be considered to be rehabilitated**.

Disclosure

"I've been with them since I took out my mortgage 22 years ago.

My son's conviction was his first offence but the insurance company are not concerned with the details. They have a policy and are just implementing it

Although the Act is designed for use by employers, the insurance industry also uses it to define when convictions are **material facts**. The onus is on the insured to disclose any unspent conviction.

Many customers and professional staff do not understand the need to disclose convictions as material facts. Customers who do not disclose can pay premiums over long periods, believing they are covered, when actually their **policies may be void**.

Customers who do declare an unspent conviction usually face a blanket exclusion policy. **Cover is automatically refused or cancelled** for them or a policyholder living in the same home³.

¹ Offender Index, Home Office RDS, www.homeoffice.gov.uk/rds/offenderindex1.html

² Adult prison population Friday April 18th : 82,105 , Ministry of Justice

³ UNLOCKing Insurance: Issues and Evidence, 2008, UNLOCK

“My husband was convicted of a comparatively minor transgression two years ago, following a nervous breakdown, and earlier this year I suddenly found I was uninsurable as a result.

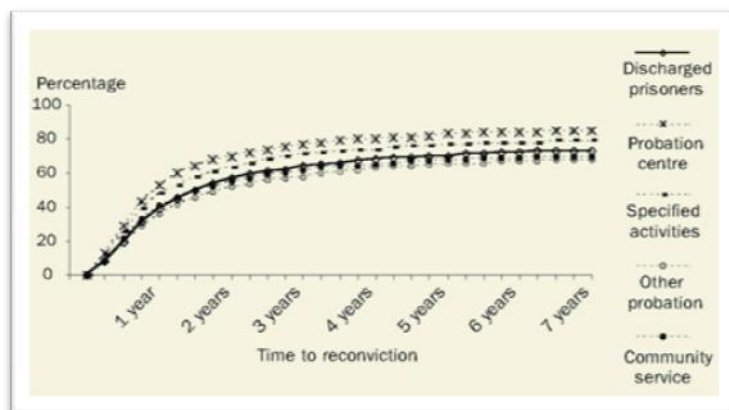
Had I thrown him out on the street I would have had no problem but I chose to support him

Consequences

Without insurance mortgages become unavailable or rescinded and **families lose their homes**. Personal and commercial transport is lost, **preventing access to employment** and impeding family life. Small businesses are **unable to trade** and self-employment opportunities disappear.

Review of the ROA (2002)

A Home Office review, *Breaking the Circle*, noted that the Act is a **‘blunt instrument’** that takes ‘no account of individual circumstances’ or advances in risk assessment. It concluded that due to **sentence inflation**, the 1974 Act is outdated and that the disclosure period should be the period of the sentence plus an additional ‘buffer period’ of 1 year for non-custodial and 2 years for custodial sentences. This was based on the fact that the reconviction rate for those who stayed out of trouble for two years following their sentence, was only **4.5% in the first year**, or 7.4% over a two year period (for those sentenced to custody of over 12 months).



% of offenders reconvicted by time to reconviction

“Whereas 3,537 offenders were sentenced to custody for over 30 months in 1974, the number had risen to over 11,000 by the year 2000.”

“The number of people who will never be rehabilitated is around 100,000.”

“Insurance is a facility...to which an ex-offender needs access if s/he is to be resettled as a valuable and law-abiding member of the community.”

Breaking the Circle (2002)

UNLOCKing Insurance

Since 2000, UNLOCK has developed access to insurance for people with unspent convictions via a handful of specialist brokers and underwriters. UNLOCK also distributes leaflets explaining the value of insurance and the need to disclose unspent convictions. However, if the market is to develop to its full potential, the involvement of mainstream insurers is essential. Current insurance risk models include a blanket approach that is based upon ageing legislation that is not evidence-based. Developing more progressive, data-driven risk-pricing models could simultaneously contribute to corporate responsibility and social justice, while offering a largely untapped commercial opportunity.

Thanks for your help with my insurance problems.

I lost my job after my conviction but have now set up my own business and have loads of work already on the books.”