



UNLOCK
The National Association
of Reformed Offenders

Insurance

Case Studies

2007



Insurance Case Studies

How inclusion can prevent re-offending



1: How a simple re-mortgage can lead to homelessness

In late December 2005, just before Christmas, we received a call from a lady who was very distraught & tearful. The client informed us that, in arranging a re-mortgage, she had disclosed her husband's conviction as required. Due to this fact, she was now unable to secure the required buildings insurance from the mortgage provider or any other insurance provider she could find. Without the insurance they faced being thrown out onto the street.

The client said that she was "at her wits end" and doubted anyone could help. After contacting one of the brokers on our list, the client was asked to complete and return a proposal form. The form arrived with the broker the next morning. The broker spent a 'frantic hour' trying track down their underwriter who was enjoying the festivities. The broker rang the client back and as soon as she was informed of a positive result she 'burst in to tears of joy'. The lady passed the broker on to her husband, who had to assure him five times that cover was ready and waiting for them. The cover was ultimately arranged and Christmas on the streets was avoided.

The Home Office's 'pathways to reducing re-offending' include:-

- Access to financial services *(Finance, Benefit & Debt)*
- Stable accommodation *(Accommodation)*
- Strong family support *(Children & Families)*
- Securing employment *(Education, Training & Employment)*

2: Reformed offenders not the guilty ones

An older gentleman who had been very senior in the financial services industry called as he urgently needed to arrange household insurance. On release he had raised this issue with his probation officer. At each meeting he raised the question, "Can you recommend any one who will offer insurance to an ex-offender", expecting the Probation Officer to know.

Finally, after several weeks of being uninsured, the client's Probation Officer brushed him off saying, "Well why tell them at all?" Explaining that this would constitute fraud, and focused on doing his best to rehabilitate, the client did not take this advice but kept trying until he found Unlock. Denied this basic information, an ex-offender with lower skills and less knowledge could have been forgiven for simply taking the 'professional' advice not to disclose.

If you do not declare unspent criminal convictions: -

- ! Your insurance company DOES NOT HAVE TO PAY OUT when you claim
- ! You are BREAKING THE LAW and you could be prosecuted for attempted fraud
- ! Your HOME WILL NOT BE COVERED even if everything is in someone else's name

This could lead to: -

- ! Losing your HOME (without buildings insurance mortgages will be rejected)
- ! Losing your TRANSPORT (and possibly your job if it depends on it)
- ! Losing your BUSINESS (if it requires insurance or if you lose your stock)
- ! Losing your FREEDOM (false representation, concealment of material facts)

3: Keeping business on track

A businessman who ran a go-karting company contacted Unlock after seeing the website. He had previously not been aware of the need to disclose his conviction, which had occurred some 14 years ago when he was a young man. Now a different person, and keen to do the right thing, he searched for quotes for the necessary insurances. He received quotes which ranged hugely, up to £5000, before securing cover through an Unlock listed broker for just over £700.

Unlock Insurance Panel

- Free!
- 7 independent brokers
- All offences accepted
- All major insurances covered
- All brokers regulated by the FSA
- Available to Unlock members

Unlock is charity dedicated to achieving equality for reformed offenders. It is led by Chief Executive Bobby Cummines, who served 13 years in prison. Its members are people, and the families of people, with convictions in their past who have decided to leave crime behind. It is funded by donations and grants.

4: The benefits of good advice

For many people insurance supermarkets offer a cheap and convenient way to arrange insurance. However, for anyone with specific needs, including reformed offenders, the results of these automatic searches are often severely limited. Even the relatively 'human touch' of a call centre is likely to end in frustration

In one case, a broker was able to provide buildings cover at a lower cost even AFTER disclosure. This was achieved simply by proper completion of the proposal form. This highlighted that the client had been using the 'up to' figures used by his bank, rather than the true costs of rebuild. For example, he would have asked for quotes based on a house rebuild cost of £350,000, rather than the true cost of £80,000, simply because his bank happened to have a blanket amount for all customers.

5: Public protection

Faced with discrimination in the employment market, a former offender turned to self-employment in order to pay the bills. He quickly discovered that his small window-cleaning business needed Public Liability Insurance, since something as simple as someone tripping over a bucket could result in litigation. (Typical claims might be around £5000 but as the UK becomes more litigious claims of £50,000-£500,000 are becoming more common). He also found that holding appropriate Public Liability cover is a requirement for even tendering for most contracts. He also found that it helps to assure potential customers of the professionalism of his company. Brokers in Unlock's panel have helped numerous start-up companies grow, as well as securing insurance for established businesses where convictions have been disclosed.

As these small businesses become successful and begin to grow, from sole-trader to limited company, further requirements are placed upon their owners. Directors of a limited company are legally deemed to be employees, even if they are also the owners. Hence, in addition to Public Liability, the business must secure Employers Liability Insurance. This can double the cost of insurance and can be the difference between a viable business and disaster.

6: Innocent employees can be punished

When the Owner/Director of a multi million pound company was sent to prison, the jobs of all his employees were put at risk. The apparent impossibility of securing the insurances required to continue trading took the business to the precipice of collapse. In these situations, insurance has to be secured quickly in order to prevent a cash flow disaster. It also has to be available at a reasonable rate, in order for the business to be sustainable. Through working with a broker on Unlock's panel, the Director was able to save the jobs of his entire workforce. He went on to begin offering work to other former offenders, creating a virtuous circle where a vicious one would have otherwise quickly developed.

7: No transport, no job (and the value of competition)

On release from a short prison sentence served in Scotland, a gentleman returned to his home. He successfully secured a job, to which he travelled each day on his 12 year-old Yamaha Motorbike. After some time he received a renewal notice for his motorbike insurance. He carefully read the letter which mentioned that if there had been 'any changes to his circumstances' he must inform them. The letter was unusual in providing as an example 'e.g. convictions'. He contacted the insurer immediately and advised them that he had received a criminal conviction, though it was not related to motoring. They thanked him for the information and cancelled his policy immediately. He got in touch with his Criminal Justice Social Worker, who was not aware of the issue but looked for further information. Discovering Unlock, the social worker passed on the details. Unlock passed on the contact details of relevant insurers and he set about contacting them. His first attempt was only half successful – insurance could be secured but for over £1300 3rd party cover only, which he could not afford. His premium prior to conviction had been £295 for fully comprehensive. By contacting other brokers on the panel he finally secured a quote of £470 for 3rd party, fire and theft. This highlights the fact that former offenders continue to pay hugely increased premiums on a blanket basis, without regard for individual circumstances. On the positive side, the gentleman managed to keep his job.

The Solution

Unlock has been working to establish fair insurance for reformed offenders and their families since 2000.

We now have a panel of 7 brokers, so you can pick, choose and finally get a really competitive quote.

The brokers judge all applications on merit, on an individual basis. Some have no exclusions at all.

Case study information was supplied by a broker from Unlock's panel, a BIBA committee member with 25 years industry experience. The studies were edited by Unlock and some details have been omitted or altered to protect identities.

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