Local Government Team

Nockolds has a strong multi-disciplined team within the Local Government Sector. Drawing on experience across the entire practice we deliver specialist expertise to secure the objectives of the public sector within the regulatory frameworks that apply.

The members of the team are happy to make themselves available for informal discussions, to act as a sounding board for new ideas or to become a member of panel advisors.

Bolton MBC v Municipal Mutual Insurance Limited and Commercial Union

Keywords & Statutes:

asbestos : local authorities : mesothelioma : public liability insurance : accidental bodily injury or illness occurring during currency of policy : inhalation of fibres : malignant tumour: double insurance

Synopsis:

The appellant insurance company Municipal Mutual (M) appealed against the decision that they were liable in respect of the onset of mesothelioma during the period that they were on cover as public liability insurers.

M was the public liability insurer of a local authority that had settled a claim against the local authority of a building worker who had been exposed to asbestos while working on a local authority site in the 1960s and had later contracted mesothelioma.

The local authority sought to recover from M as its public liability insurer at the time when the mesothelioma later occurred. M denied liability and claimed that if any insurer was liable it was the public liability insurer Commercial Union (C), who provided cover at the time when the worker was exposed to asbestos.

The judge held that M was liable to indemnify the local authority since the mesothelioma was an accidental bodily injury which occurred during the period of cover, and that C was not liable since the mesothelioma had not occurred during the currency of C's cover. M submitted that "accidental injury" for the purposes of the policy occurred on or soon after the inhalation of asbestos fibres rather than when mesothelioma occurred.

Judgment:

The right public liability policy to respond in cases of asbestos-related disease was the policy in force at the time when the disease first occurred or manifested itself, rather than the policy in force at the time of the exposure to asbestos.

If you would like to discuss any issues raised in this case study or any other local government related matter please do not hesitate to contact our Local Government Team on:- 01279 755777 or email imoody@nockolds.co.uk.

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