

## Chancel – Case Study

If you think that Chancel Repair Liability (CRL) is dead and buried, think again as one man and his family found out in late 2016 when they received a letter from their local parish council regarding an urgent need for repair to the roof of their local church. Fortunately for this individual, he had covered the risk of this day coming by purchasing chancel liability cover from Dye & Durham to cover his rural property two years earlier.

What follows does not resemble a claim on more traditional insurance i.e loss event, assessment, settlement. With chancel, and other legal indemnities, loss often doesn't crystalize until a complicated legal process has taken place. A church council, if they are following procedure, cannot just carry out repairs to the chancel and then charge their lay rectors (properties owners whose properties are subject to CRL) for their share. The lay rectors must be informed from the start of the need for repairs and then be involved throughout in securing quotes, choosing a contractor and monitoring the build. Obviously when indemnity insurance is involved, then the insurer will also be fully involved in this process.

We at Dye & Durham have vast experience in dealing with chancel and will carry out extensive checks to make sure that the parish council in question has the right to enforce CRL. This may involve a search of the National Archives, although strangely in this example the search needed to be conducted within the local archives as the liability stemmed from an Enclosure Award. In simple terms in the 18th and 19th centuries a move was made to increase the country's agricultural output by consolidating large areas of small holdings into much larger, more productive farms.

Sometimes CRL would be caught up within the enclosure, so the owner of the new larger piece of land would be liable for whatever liabilities had existed on the smaller pieces of land that had been 'enclosed'. Our insured on this claim was able to secure a copy of the enclosure award which clarified what we were dealing with.

We then instructed a solicitor with extensive chancel experience to act for the insurer who in turn instructed leading counsel to look at all the documents and confirm that the church's claim was genuine (which it was) and then to confirm the insured's share of the total liability. Cover was then confirmed, and we set to work liaising with the insured who attended many meetings with the parish council to gain quotes and decide on a specialist contractor. It's not always easy to find companies that will carry out work on buildings that are over 400 years old. Once the contractor was chosen and a price was agreed and the loss was crystalized, the policy was able to pay over the insured's share which totalled around £30,000.00. This all sounds simple, but events took place over the course of 10 months from when the letter first came through the insured's letter box to when the final payment was made to the church for the insured's share of the costs of the works.

Dye & Durham was able to add so much more than just this final pay out, giving expert advice to the insured throughout, 'holding his hand' through negotiations with the church and making sure that his/the insurer's interests were simultaneously protected. The legal expenses expended on this case would have cost a private individual way in excess of £10,000 and was all covered by the policy. The identity of the insurer was not revealed during the process and so as far as the church and the local community were concerned our insured had instructed his own solicitors to look after his interests and had contributed willingly to the upkeep of the local parish church and the policy will do the same again the next time repairs are required (hopefully not for a long, long time).