

RIBBLE VALLEY BOROUGH COUNCIL

INFORMATION

REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No

meeting date: 28 JULY 2009
 title: INSURANCE RENEWALS 2009/10
 submitted by: DIRECTOR OF RESOURCES
 principal author: MICK AINSCOW

1 PURPOSE

1.1 To inform Committee of the insurance renewals for the period 20 June 2009 to 19 June 2010.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions/Community Objectives

None directly. However, in accordance with the Council's risk management policy it is essential that all our functions and services be adequately insured.

- Other considerations

The Council is legally bound to ensure adequate insurance arrangements are maintained in certain areas, e.g. employer's liability, motor.

2 RENEWALS

2.1 A tendering exercise for the Council's insurances was carried out in 2006 resulting in Zurich Municipal being appointed as our insurers on a five year long-term agreement effective from 20 June 2006.

2.2 The Council's insurances were renewed on 20 June 2009 under the terms of the five year long term agreement.

2.3 Renewal terms for 2009/10 are as follows:

POLICY	PREMIUM		Increase/ Decrease £	%
	2008/2009 £	2009/10 £		
Material Damage (Fire)	11,745	12,329	584	5.0
Terrorism	2,125	2,161	36	1.7
Business Interruption	2,459	2,539	80	3.2
Theft	945	945	0	0
Money	605	620	15	2.5
All Risks	6,759	6,995	236	3.5
Public Liability	27,917	28,769	852	3.0
Professional Negligence	263	263	0	0
Officials Indemnity	1,745	1,781	36	2.1
Employers Liability	14,394	14,844	450	3.1
Libel and Slander	673	673	0	0
Motor	42,841	45,640	2,799	6.5
Engineering	3,093	3,201	108	3.5
Fidelity Guarantee	1,350	1,385	35	2.6

POLICY	PREMIUM		Increase/ Decrease £	%
	2008/2009 £	2009/10 £		
Land Charges	2,977	2,938	-39	1.3
Personal Accident	790	803	13	1.6
Public Health Act	331	339	8	2.4
Computers	1,281	1,348	67	5.2
	122,293	127,573	5,280	4.3

3 COMMENTS ON RENEWAL TERMS

3.1 Total cost of premiums for 2009/10 has risen by £5,280 (4.3%) on the previous years figure. The small increase is due to problems in the insurance industry nationwide, rather than any issues at Ribble Valley.

3.2 Our overall claims experience continues to be good and we have seen a decrease in 2008/09 on the number of claims submitted compared with the previous year.

Claims experience over the last 5 years is as follows:

2004/05	42
2005/06	30
2006/07	34
2007/08	22
2008/09	19

	Liability	Motor	Property	Total
Claims outstanding 20.06.08	1	12	0	13
Claims during year	5	13	1	19
Settled during year	6	10	1	17
Claims outstanding 19.06.09	0	15	0	15

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications:

- Resources

The net cost of premiums for 2009/10 is £127,573 compared with £122,293 in 2008/09. The cost of premiums for 2009/10 includes an amount of £5,801 in respect of insurance premium tax, which is charged at a rate of 5%. Included in the 2009/10 budget for insurance is an amount of £129,530, so the 2009/10 premium cost can easily be met.

- Technical, Environmental and Legal

The Council has a legal duty to provide certain liability and motor covers.

- Political

None directly.

- Reputation

A failure to provide cover, or an appropriate level of cover, could damage the Council's standing in the community.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Note the renewal of the Council's insurances for 2009/10.

PRINCIPAL AUDITOR

PF34-09/MA/AC

17 July 2009