

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No 22

meeting date: 9 SEPTEMBER 2014
 title: INSURANCE RENEWALS 2014/15
 submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

1.1 To inform Committee of the insurance renewals for the period 20 June 2014 to 19 June 2015.

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 are legally bound to ensure adequate insurance arrangements are maintained in certain areas e.g. employers liability.

2 RENEWALS

2.1 A tendering exercise for the Council's insurances was carried out in 2013, resulting in Zurich Municipal being appointed as our insurers on a five year long-term agreement effective from 20 June 2013.

2.2 The Council's insurances were renewed on 20 June 2014 under the terms of the long-term agreement.

2.3 Renewal terms for 2014/15 are as follows:

Policy	Premium		Increase/ Decrease £	%	Notes
	2013/2014 £	2014/15 £			
Material Damage (Fire)	13,407	13,806	399	3	
Terrorism	3,178	2,411	-767	24	¹
Business Interruption	1,750	1,776	26	1.5	
Theft	1,359	1,359	0	0	
Money	581	598	17	2.9	
All Risks	4,693	4,506	-187	4	
Public Liability	29,170	30,052	882	3	
Professional Negligence	636	530	-106	16.7	²
Officials Indemnity	1,619	1,668	49	3	
Employers Liability	16,392	16,887	495	3	
Libel and Slander	498	498	0	0	
Motor	36,599	38,929	2,330	6.4	
Engineering	6,633	6,808	175	2.6	
Fidelity Guarantee	1,434	1,478	44	3.1	
Land Charges	1,453	1,548	95	6.5	

Policy	Premium		Increase/ Decrease £	%	Notes
	2013/2014 £	2014/15 £			
Personal Accident	933	956	23	2.8	
Public Health Act	323	332	9	2.8	
Computers	2,347	1,477	-870	37.1	³
	123,005	125,619	2,614	2.1	

Notes

- ¹ Industry wide decrease
- ² Insurance largely in run-off
- ³ Over valued in previous years

3 COMMENTS ON RENEWAL TERMS

- 3.1 Total cost of premiums for 2014/15 has risen by £2,614 (2.1%) on the previous year's figure. The majority of the increases are inflationary with the exception of the motor policy which has risen by £2,330 (6.4%) on the previous year's figure. This is due to there being three extra vehicles (at time of renewal) insured under the general vehicles section of the policy. All increases are within the terms of the long term agreement entered into in 2013.
- 3.2 Our overall claims experience continues to be very good with relatively low numbers of claims submitted to insurers.

Claims submitted over the last 5 years are as follows:

	Liability	Motor	Property	Total
2009/10	5	16	3	24
2010/11	3	11	3	17
2011/12	4	11	1	16
2012/13	3	8	1	12
2013/14	6	5	3	14

	Liability	Motor	Property	Total
Claims outstanding 20.06.13	2	10	1	13
Claims during year	6	5	3	14
Settled during year	5	8	3	16
Claims outstanding 19.06.14	3	7	1	11

4 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications.

- Resources – cost to the council in defending any legal action as a result of a lack of insurance cover and cost of any premium increases as a result of poor claims history. The insurance cost for 2014/15 can be met from within existing resources.
- Technical, Environmental and Legal – the Council are legally bound to ensure adequate insurance arrangements are maintained in certain areas, e.g. employers' liability.
- Political – no implications identified.
- Reputation – if the Council failed to comply with legislation or failed to adequately insure it would reflect badly on our reputation.
- Equality and Diversity – no implications identified.

5 RECOMMENDED THAT COMMITTEE

5.1 Note the renewal of the Council's insurances for 2014/15.

PRINCIPAL AUDITOR DIRECTOR OF RESOURCES

PF36-14/MA/AC
26 August 2014

BACKGROUND PAPERS: *None*