

INFORMATION

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 22

meeting date: 8 SEPTEMBER 2015
 title: INSURANCE RENEWALS 2015/16
 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 2015 to 19 June 2016.

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 2015 under the terms of the long-term agreement.

2.3 Renewal terms for 2015/16 are as follows:

Policy	Premium		Increase/ Decrease £	%	Notes
	2014/2015 £	2015/16 £			
Material Damage (Fire)	13,806	13,666	-140	1	
Terrorism	2,411	2,344	-67	2.8	
Business Interruption	1,776	1,790	14	0.8	
Theft	1,359	1,399	40	2.9	
Money	598	598	0	0	
All Risks	4,506	4,760	254	5.6	
Public Liability	30,052	32,674	2,622	8.7	¹
Professional Negligence	530	530	0	0	
Officials Indemnity	1,668	1,677	9	0.5	
Employers Liability	16,887	17,742	855	5.1	
Libel and Slander	498	498	0	0	
Motor	38,929	39,753	824	2.1	
Engineering	6,808	7,016	208	3.1	
Fidelity Guarantee	1,478	1,849	371	25.1	²
Land Charges	1,548	1,581	33	2.1	
Personal Accident	956	956	0	0	
Public Health Act	332	332	0	0	

Policy	Premium		Increase/ Decrease £	%	Notes
	2014/2015 £	2015/16 £			
Computers	1,477	1,534	57	3.9	
	125,619	130,699	5,080	4	

Notes

- ¹ Increase in premiums
² Increase in sums insured for certain designated officers

3 COMMENTS ON RENEWAL TERMS

- 3.1 Total cost of premiums for 2015/16 has risen by £5,080 (4%) on the previous year's figure. The majority of the increases are inflationary. The public liability premium has risen in line with increases nationally and with regard to fidelity guarantee, the increase is due to a mid-year increase requested by ourselves in the sums insured for certain designated officers.
- 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
2010/11	3	11	3	17
2011/12	4	11	1	16
2012/13	3	8	1	12
2013/14	6	5	3	14
2014/15	3	13	0	16

	Liability	Motor	Property	Total
Claims outstanding 20.06.14	3	7	1	11
Claims during year	3	13	0	16
Settled during year	1	18	1	20
Claims outstanding 19.06.15	5	2	0	7

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 2015/16 can be met from within existing resources.⁵
- 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 2015/16.



PRINCIPAL AUDITOR

DIRECTOR OF RESOURCES

PF50-15/MA/AC
26 August 2015

BACKGROUND PAPERS: *None*