

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION
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Agenda Item No 14

meeting date: 21 SEPTEMBER 2010  
 title: INSURANCE RENEWALS 2010/11  
 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 2010 to 19 June 2011.

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 2010 under the terms of the five year long term agreement.

2.3 Renewal terms for 2010/11 are as follows:

POLICY	PREMIUM		Increase/ Decrease £	%	Notes
	2009/2010 £	2010/11 £			
Material Damage (Fire)	12,329	12,550	221	1.8	
Terrorism	2,161	2,129	-32	1.5	
Business Interruption	2,539	2,484	-55	2.2	
Theft	945	945	0	0	
Money	620	618	-2	0.3	
All Risks	6,995	6,995	0	0	
Public Liability	28,769	29,667	898	3.1	
Professional Negligence	263	682	419	159.3	<sup>1</sup>
Officials Indemnity	1,781	1,777	-4	0.2	
Employers Liability	14,844	14,813	-31	0.2	
Libel and Slander	673	673	0	0	
Motor	45,640	45,240	-400	0.9	
Engineering	3,201	3,318	117	3.6	
Fidelity Guarantee	1,385	1,381	-4	0.3	

POLICY	PREMIUM		Increase/ Decrease £	%	Notes
	2009/2010 £	2010/11 £			
Land Charges	2,938	2,550	-388	13.2	<sup>2</sup>
Personal Accident	803	802	-1	0.1	
Public Health Act	339	338	-1	0.3	
Computers	1,348	1,407	59	4.4	
	<b>127,573</b>	<b>128,369</b>	<b>796</b>	<b>0.6</b>	

#### Notes

<sup>1</sup> Senior Surveyor (Building Control) is now carrying out energy assessments/carbon emission analyses on newly created dwellings for local architects/builders and in order to carry out this service we must have specific professional negligence cover.

<sup>2</sup> Reduction in number of searches anticipated.

### 3 COMMENTS ON RENEWAL TERMS

3.1 Total cost of premiums for 2010/11 has risen by £796 (0.6%) on the previous years figure.

3.2 Our overall claims experience continues to be good although we have seen a small increase in claims in 2009/10 compared with the previous year.

Claims experience over the last 5 years is as follows:

2005/06	30	2006/07	34
2007/08	22	2008/09	19
2009/10	24		

	Liability	Motor	Property	Total
Claims outstanding 20.06.09	0	15	0	15
Claims during year	5	16	3	24
Settled during year	4	20	3	27
Claims outstanding 19.06.10	1	11	0	12

### 4 CONCLUSION

4.1 The net cost of premiums for 2010/11 is £128,369 compared with £127,573 in 2009/10. The cost of premiums for 2010/11 includes an amount of £5,772 in respect of insurance premium tax, which is charged at a rate of 5%. Included in the 2010/11 budget for insurance is an amount of £136,640, so the 2010/11 premium cost can easily be met.

### 5 RECOMMENDED THAT COMMITTEE

5.1 Note the renewal of the Council's insurances for 2010/11.

#### PRINCIPAL AUDITOR

PF35-10/MA/AC  
7 September 2010