

RIBBLE VALLEY BOROUGH COUNCIL INFORMATION

REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 19

meeting date: 12 SEPTEMBER 2017
 title: INSURANCE RENEWALS 2017/18
 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 2017 to 19 June 2018.

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 2017 under the terms of the long-term agreement.

2.3 Renewal terms for 2017/18 are as follows:

Policy	Premium		Increase/ Decrease £	%	Notes
	2016/2017 £	2017/18 £			
Material Damage (Fire)	14,729	15,364	635	4.3	
Terrorism	2,513	2,609	96	3.8	
Business Interruption	1,870	1,911	41	2.2	
Theft	1,872	1,915	43	2.3	
Money	645	653	8	1.2	
All Risks	4,834	4,919	85	1.8	
Public Liability	38,555	39,064	509	1.3	
Professional Negligence	548	560	12	2.2	
Officials Indemnity	1,799	1,823	24	1.3	
Employers Liability	20,365	20,634	269	1.3	
Libel and Slander	515	527	12	2.3	
Motor	39,822	42,982	3,160	7.9	¹
Engineering	7,334	6,600	-734	10	²
Fidelity Guarantee	2,020	2,047	27	1.3	
Land Charges	1,805	1,872	67	3.7	
Personal Accident	1,019	1,034	15	1.5	
Public Health Act	359	363	4	1.1	

Policy	Premium		Increase/ Decrease £	%	Notes
	2016/2017 £	2017/18 £			
Computers	1,582	1,628	46	2.9	
	142,186	146,505	4,319	3	

Notes

- ¹ Increase was held off from last year due to increases on other premiums. Reflects significant increase in number of motor claims over the last 24 months.
- ² Fees reduced by insurers for inspections carried out on all council owned children's play areas

3 COMMENTS ON RENEWAL TERMS

- 3.1 Total cost of premiums for 2017/18 has risen by £4,319 (3%) on the previous year's figure. The motor premium has risen due to a significant increase in the number of claims submitted in the last two years. Across all premiums insurance premium tax has also risen from 9.5% in 2016/17 to 12% in 2017/18.
- 3.2 Our claims experience has been better this year compared to last but still well up on claims from the four years previous to 2015/16:

	Liability	Motor	Property	Total
2012/13	3	8	1	12
2013/14	6	5	3	14
2014/15	3	13	0	16
2015/16	7	23	0	30
2016/17	4	18	3	25

We continue to ensure that we act on any cause around insurance claims, and take action to mitigate the possibility of future claims.

	Liability	Motor	Property	Total
Claims outstanding 20.06.16	7	8	0	15
Claims during year	4	18	3	25
Settled during year	8	16	2	26
Claims outstanding 19.06.17	3	10	1	14

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 2017/18 can be met from within existing resources.
- The increased cost of premiums and insurance premium tax is marginally above that allowed for in the budget.
- 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 2017/18.

PRINCIPAL AUDITOR

DIRECTOR OF RESOURCES

PF40-17/MA/AC
23 August 2017

BACKGROUND PAPERS: *None*