

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 22

meeting date: 24 SEPTEMBER 2019  
 title: INSURANCE RENEWALS 2019/20  
 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 2019 to 19 June 2020.

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 2018, resulting in Zurich Municipal being appointed as our insurers on a five year long-term agreement effective from 20 June 2018.

2.2 The Council’s insurances were renewed on 20 June 2019 under the terms of the long-term agreement.

2.3 Renewal terms for 2019/20 are as follows:

Policy	Premium		Increase/ Decrease £	%	Notes
	2018/2019 £	2019/20 £			
Material Damage (Fire)	12,879	12,309	-570	4.43	
Terrorism	2,673	2,759	86	3.22	
Business Interruption	1,673	1,679	6	0.36	
Theft	1,788	1,978	190	10.63	<sup>1</sup>
Money	268	284	16	5.97	
All Risks	4,412	4,567	155	3.51	
Public Liability	36,779	38,959	2,180	5.93	
Professional Negligence	533	533	0	0	
Officials Indemnity	1,467	1,554	87	5.93	
Employers Liability	33,223	35,195	1,972	5.94	
Libel and Slander	474	474	0	0	
Motor	42,096	42,096	0	0	
Engineering	6,797	7,538	741	10.90	<sup>1</sup>
Fidelity Guarantee	1,838	1,904	66	3.59	
Land Charges	1,209	1,010	-199	16.46	<sup>2</sup>
Personal Accident	771	808	37	4.8	
Public Health Act	311	327	16	5.14	
Computers	2,269	2,269	0	0	

Policy	Premium		Increase/ Decrease £	%	Notes
	2018/2019 £	2019/20 £			
	151,460	156,243	4,783	3.16	

#### Notes

- <sup>1</sup> Reflecting an overall increase in claims nationwide in this particular line of business, meaning that insurers overall rating has increased for this kind of risk.
- <sup>2</sup> Reflecting a decrease in claims nationwide in this particular line of business.

### 3 COMMENTS ON RENEWAL TERMS

- 3.1 Total cost of premiums for 2019/20 has risen by £4,783 (3.16%) on the previous year's figure.
- 3.2 Our claims experience has been slightly better this year compared to last but still well up on claims from the four years previous to 2017/18:

	Liability	Motor	Property	Total
2014/15	3	13	0	16
2015/16	7	23	0	30
2016/17	4	18	3	25
2017/18	7	25	3	35
2018/19	5	21	7	33

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 20.06.18	8	5	0	13
Claims during year	5	21	7	33
Settled during year	6	11	4	21
Claims outstanding 19.06.19	7	15	3	25

### 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 2019/20 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 2019/20.

PRINCIPAL AUDITOR

DIRECTOR OF RESOURCES

PF40-19/MA/AC  
2 September 2019