

**POLICY AND RESOURCES SCRUTINY COMMITTEE –
20TH APRIL 2010**

SUBJECT: INSURANCE RENEWALS 2010-11

REPORT BY: DIRECTOR OF CORPORATE SERVICES

1. PURPOSE OF REPORT

1.1 To advise the Committee of the arrangements made to provide insurance cover in 2010-11.

2. LINKS TO STRATEGY

2.1 The various Council strategies involve delivery of services to residents and there are inherent risks which the Council needs to insure against.

3. FINANCIAL IMPLICATIONS

3.1 The resultant premiums in such a difficult financial environment are very pleasing as they are within the previously prepared budget for 2009/10. This is the fourth year that the premiums have not been increased.

3.2 The table below shows the premiums paid to the external market. It should be noted that the vast majority of premiums are held in an internal fund, premium of £2.7m in 2010-11. This relates to the fact that we self-insure.

Class of Business – CCBC Services	2009/2010 (£)	2010/2011 (£)
Material Damage Package	199,829.58	201,892.25
Fidelity Guarantee	9,500.00	9,500.00
Combined Liabilities	166,200.00	167,900.00
Motor Fleet	183,950.00	181,350.00
Personal Accident/Travel	28,756.30	29,032.48
Engineering/Computer	35,478.88	37,325.21
Contractors All risks	18,102.69	28,267.00
SUB TOTAL	641,817.45	655,266.46
Marsh Fee	41,500.00	41,500.00
TOTAL	683,317.45	696,766.46

Class of Business – Rechargeable	2009/2010 (£)	2010/2011 (£)
Tenanted Properties	39,575.86	28,389.31
Mortgaged Properties	4,591.42	4,527.57
Leasehold Flats	37,760.48	37,755.25
Offsite/Onsite Activities	17,524.88	17,116.03
TOTAL	99,452.64	87,788.16

Notes

- (1) All premiums are net of commission and net of IPT and/or VAT.
- (2) This renewal is the second in the Long Term Agreement which was entered into last year i.e. 3 years with an option for us to continue for a 5 year period.
- (3) These premium levels are due to the continuing work carried out by the Authority to reduce our exposure to claims and robustly defend spurious and fraudulent claims.
- (4) The increase in the Contractors Insurance is solely due to the turnover increasing from £4m to £11.4m.

3.3 It is pleasing to note that the renewal terms received are within the framework set when the budget was prepared. This is not the case at other Councils and reflects the commitment and hard work by many Officers to manage risks within the Authority.

4. PERSONNEL IMPLICATIONS

4.1 There are no personnel implications.

5. CONSULTATIONS

5.1 There are no consultation responses which have not been reflected in this report.

6. RECOMMENDATIONS

6.1 It is recommended that the Committee note the information.

7. REASON FOR RECOMMENDATIONS

7.1 To maintain the Council's proactive approach to risk management and insurance.

8. STATUTORY POWER

8.1 The Local Government Act 1972.

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Background Papers:

Marsh Renewal Report 2010/11. Background papers are exempt.