
RENEWAL OF INSURANCES

Responsible Cabinet Member – Councillor Don Bristow, Resource Management Portfolio

Responsible Director – Paul Wildsmith – Director of Corporate Services

Purpose of Report

1. The purpose of this report is to inform Cabinet of the current position in respect of the Council's insurance renewals negotiations with Zurich Municipal and to consider a two-year extension of the insurance contract to Zurich Municipal.

Information and Analysis

2. The Council tendered for its insurance in 2003 and awarded the contract to Zurich Municipal (Minute TP90 March 2003 refers). The insurance contract comprises over 30 policies covering areas such as public and employers liability, property and vehicles. This is under a Long Term Agreement (LTA) running from 1st April, 2003 to 31st March, 2006, with an option to extend for a further two years subject to satisfactory terms being offered. The Authority is now at the point where it must consider whether or not it will extend the contact for a further two years until 31st March, 2008.
3. Zurich Municipal has offered to renew some of the Council's insurance for the coming year at existing terms (subject to the normal annual adjustments for inflation) but they have also indicated that they will reduce some terms due to the pro-active approach to risk management within the Authority and favourable claims history. The annual insurance saving to the Authority will be in the region of £90,000 on a contract in excess of £1.5m per annum.
4. Officers have held informal discussions about the current insurance market with Insurance Brokers who advised the Council during the tender process in 2003. They have advised the Authority that, in their opinion, there are economic benefits in accepting reduced premiums and extending the insurance contract period for a further two years with Zurich Municipal. They also advise that by going out to tender in two years time there is a further period for the insurance market to settle which should benefit the Authority in the long term.

Outcome of Consultation

5. There has been no consultation in respect of this report

Legal Implications

6. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough

Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

7. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

8. The issues contained within this report do not represent change to Council policy or the Council's policy framework

Decision Deadline

9. For the purpose of the 'call-in' procedure this does not represent an urgent matter

Recommendation

10. It is recommended that :-
 - (a) Cabinet accept the renewal terms from Zurich Municipal and extend the contact to 31st March, 2008.
 - (b) The Director of Corporate Services resolve the minor issues outstanding with Zurich Municipal relating to their new terms under his delegated powers.
 - (c) The Director of Corporate Services is authorised to seek tenders, at the appropriate time, for Council Insurances from 1st April, 2008.

Reasons

11. The recommendations are supported by the following reasons :-
 - (a) Due to economic benefits for the Council in accepting reduced terms from Zurich Municipal and current insurance market conditions as advised by Insurance Brokers.
 - (b) To enable the Director of Corporate Services to arrange Council Insurance by the tender process in two years time.

Paul Wildsmith
Director of Corporate Services

Background Papers

There are no background papers

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