

WELWYN HATFIELD BOROUGH COUNCIL  
CABINET – 3 APRIL 2018  
REPORT OF THE EXECUTIVE DIRECTOR (RESOURCES, ENVIRONMENT AND  
CULTURAL SERVICES)

RENEWAL OF INSURANCE POLICIES 2018/2019 – REQUEST FOR DELEGATED  
AUTHORITY

**1 Executive Summary**

- 1.1 The majority of the Council's insurance policies were tendered in 2015 and long term agreements entered into with the successful bidders. The leasehold property policy was tendered separately in 2014. Renewal of all policies with existing insurers will therefore be sought in accordance with these agreements, however as in previous years, terms are unable to be presented to Cabinet in view of the need for an expeditious response outside of timetabled meetings.

**2 Recommendations**

- 2.1 It is recommended
- i) that the Executive Director (Resources, Environment and Cultural Services) in consultation with the Executive Member for Resources, be given delegated authority to approve the renewal of insurance policies, with the outcome reported to September Cabinet; and
  - ii) that this authority remain in force until the expiry of the long term agreements, which end in June 2019 for the leasehold properties policy and 2020 for all others.

**3 Explanation**

- 3.1 In 2015 the majority of the Council's insurance policies were put out to tender, leading to only one change of insurer for Property covers from Travelers to Zurich Municipal. Five year long term agreements were entered into, with options to break after three, and so terms are now being sought from existing providers for the new policy year which starts on 24 June.
- 3.2 The policies being renewed are Public Liability, Employers' Liability, Officials' Indemnity, Crime and Motor, provided by Travelers Insurance Co. Ltd; Personal Accident through ACE; Engineering with Allianz; and Material Damage (including Property, All Risks, Works in Progress, Business Interruption, Money, Computers and Terrorism), which is provided by Zurich Municipal.
- 3.3 The policy covering Leasehold properties was tendered in 2014 and awarded to Ocaso SA (UK), again on the basis of a five year long term agreement with an option to break after 3 years.

## **4 Insurance Market Commentary**

- 4.1 Appendix A provides comment from the Council's insurance broker, JLT Speciality Ltd, on the current state of the insurance market and issues impacting on the sector.
- 4.2 Mention is made of the growing availability of Cyber Risks policies, which are designed to help an organisation mitigate risk exposure by offsetting costs involved with recovery after a cyber-related security breach or similar event. The benefits and cost of such a policy will therefore be explored as part of the insurance renewal process.

### **Implications**

## **5 Legal Implications**

- 5.1 This report contains no legal implications.

## **6 Financial Implications**

- 6.1 At the time of writing, no indications of proposed terms have been received from insurers. The current year's claims experience on all policies is reasonable, however, so it is hoped premium rates will be maintained and renewal achieved within budget. This situation, however, could change quickly and unexpectedly and any increase in claims may have an impact on renewal terms.
- 6.2 Building cost inflation will, however, be applied to property sums insured, so property premiums will rise accordingly. For information the January 2018 BCI figure is 3.4%.

## **7 Risk Management Implications**

- 7.1 The risks associated with levels of cover, policy excesses and premium charges are duly considered as part of both the tender and renewal processes.

## **8 Security & Terrorism Implications**

- 8.1 This report contains no security and terrorism implications

## **9 Procurement Implications**

- 9.1 The Council is currently within long term agreements and seeking terms from existing insurers complies with these obligations.

## **10 Climate Change Implications**

- 10.1 This report contains no climate change implications.

## **11 Link to Corporate Priorities**

- 11.1 The subject of this report is linked to the Council's Corporate Priority 'Engage with our communities and provide value for money'.

## **12 Equality and Diversity**

12.1 An Equality Impact Assessment (EIA) is not required in connection with the proposals that are set out in this report.

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