

**RECORD OF EXECUTIVE DECISION**  
**Friday, 6 February 2015**

**Decision No:** (CAB 14/15 14124)

DECISION-MAKER:	OFFICER DECISION MAKING
PORTFOLIO AREA:	RESOURCES AND LEISURE
SUBJECT:	*CORPORATE INSURANCE PROGRAMME
AUTHOR:	Peter Rogers

**THE DECISION**

- (i) That the Chief Financial Officer selected the most appropriate corporate insurance programme from 1st April 2015 taking into consideration:
- (a) the response from the insurance market to the tender exercise (Appendix 1) noting the 'deductible options';
  - (b) the outcome of the tender evaluation exercise (Appendix 2); and
  - (c) the document summarising the options and impact in respect of internal self-insurance provision (Appendix 3);

**REASONS FOR THE DECISION**

1. To ensure continuity of insurance cover in terms of having appropriate and adequate financial protection for the Council to support and enable current and future service delivery, and that funds are available to pay for insurable losses using the most cost effective sources of finance.
2. The aim is to achieve the optimum balance between self-insurance and external insurance, with the latter intended primarily to protect the Council against the effects of a catastrophic loss and to limit the Council's financial exposure in any one period. The approach seeks to smooth the cost of risk and minimise year on year fluctuations.

**DETAILS OF ANY ALTERNATIVE OPTIONS**

1. To self-insure all losses (i.e. discontinue all external insurance covers). External premium spend would be reduced to zero however all future claims, including any catastrophic losses, would be required to be met from internal funds. It would not be prudent for the Council to operate on this basis as it would create an unquantifiable future financial risk.
2. The Council is seeking a 3 year 'long term agreement ("LTA")', with the option to extend for up to a further 2 years, as opposed to a straight 5 year deal. This is intended to provide the Council with flexibility noting that the LTA does not 'hold' insurers in terms of premium rates and if they consider that the risk is deteriorating and/or there is a general market adjustment of rates then they will seek to increase premiums accordingly.

**OTHER RELEVANT MATTERS CONCERNING THE DECISION**

None.

**CONFLICTS OF INTEREST**

None

**CONFIRMED AS A TRUE RECORD**

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 6<sup>th</sup> February 2015

Decision Maker: Chief Financial Officer

Proper Officer: Karen Wardle

**SCRUTINY**

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*