

RECORD OF EXECUTIVE DECISION

Tuesday, 9 March 2010

Decision No: (CAB 09/10 2974)

DECISION-MAKER:	EXECUTIVE DIRECTOR OF RESOURCES
PORTFOLIO AREA:	RESOURCES AND WORKFORCE PLANNING
SUBJECT:	AWARD OF INSURANCE CONTRACT
AUTHOR:	PETER ROGERS

THE DECISION

- (i) To approve the placement of the corporate insurance programme via a composite package comprising a number of different suppliers (as detailed in Confidential Appendix 1);
- (ii) To approve a 5 year agreement;
- (iii) To approve the higher deductibles (excesses) in respect of Liability and Property claims.

REASONS FOR THE DECISION

- 1) The placing of cover with a number of insurance providers will result in a reduction in the overall insurance premium spend noting that the holding insurer was not prepared to allow their package of covers to be split.
- 2) The new programme includes all major extensions to cover in addition to including additional benefits and some cover restrictions. Whilst the placing of cover with one insurer can reduce the risk of gaps or overlaps in the programme the comprehensive market presentation document and robust evaluation process has served to reduce this risk
- 3) A 5 year agreement secures additional savings and introduces an element of stability in terms of future costs. In addition, the Council's appointed insurance broker (Marsh) believes that rates may start to rise shortly and that the well publicised issues within financial markets globally will, at some point, impact on reinsurance and general insurance markets forcing rates up.
- 4) The acceptance of higher excesses in respect of Liability and Property claims will create an additional potential demand on the internal insurance fund however, based on loss history, it is considered that this will be able to be accommodated within current self insurance arrangements.

DETAILS OF ANY ALTERNATIVE OPTIONS

- 1) There is no provision within the current arrangement for the contract to be extended.
- 2) It is not considered reasonable for the Council to proceed without having an appropriate insurance programme in place in order to protect the Council's financial exposure.

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:
9/03/2010

Decision Maker:
Executive Director of Resources

Proper Officer:
Ed Grimshaw

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)*