

REPORT TO: POLICY & RESOURCES COMMITTEE - 25 FEBRUARY 2008

REPORT ON: INSURANCE AND RISK MANAGEMENT PROGRAMME 2008/09

REPORT BY: HEAD OF FINANCE

REPORT NO: 124-2008

1 PURPOSE OF REPORT

This report provides an overview of the proposed insured/self-insured and risk management arrangements for the financial year 2008/09.

2 RECOMMENDATIONS

It is recommended the Committee ratifies the Insurance programme, self-funding and claims handling procedures for the 2008/09 financial year as detailed in this report.

3 FINANCIAL IMPLICATIONS

The financial implications of the 2008/09 Insured and self-insured programme are set out below:

Class of Insurance	Insurers	Net Premium £	Insurance Fund Deposit for Self-Insured Losses £	Estimated Total Cost £
Property	Zurich Municipal	1,182,000	750,000	1,932,000
Liabilities	Zurich Municipal/AIG	276,000	600,000	876,000
Motor	Royal Insurance	139,000	200,000	339,000
Accident Inspection	Thomson Lumsden	8,000	-	8,000
Personal Accident	AIG/Various	36,000	-	36,000
Broker Fees	Willis	3,000	-	3,000
Risk Management	-	<u>180,000</u>	<u>-</u>	<u>180,000</u>
		<u>1,824,000</u>	<u>1,550,000</u>	<u>3,374,000</u>

The net effect of the foregoing will be that the 2008/09 insurance and risk management programme has been negotiated within the allowance included in the 2008/09 Provisional Revenue Budget.

4 MAIN TEXT

In keeping with the City Council's Long Term Agreement with Insurers, a stable insurance renewal has been negotiated with Insurers. There are no increases of rates of premium within the classes of insurance highlighted. This is in keeping with the terms of the Agreement, which undertakes to provide this rating stability until its expiry in 31 December 2009.

In addition, corporate annual savings of approximately £25,000 per annum were realised under the Council's main property policy in consequence of the successful installation of sprinkler systems at Forthill Primary and St Johns.

5 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

The subject matter of this report is concerned with one aspect of the Council's Risk Management strategy, namely the economic control of catastrophe risk, through traditional transfer to the Insurance market.

7 CONSULTATION

The Chief Executive, Depute Chief Executive (Support Services) and Depute Chief Executive (Finance) have been consulted in the preparation of this report.

8 BACKGROUND PAPERS

None

MARJORY STEWART
HEAD OF FINANCE

19 FEBRUARY 2008