



INSURANCE PREMIUMS

1. INTRODUCTION

- 1.1 The long term agreements with the Council's insurers, Zurich Municipal and The St Paul, ended on 31 March 2003 and a tendering exercise was undertaken by our brokers Jardine Lloyd Thompson to obtain replacement cover.
- 1.2 The result of this exercise was the recommendation that all of the Council's insurance be placed with Zurich Municipal on a long term agreement for three years with an option to extend this to five years.

2. EFFECTS OF RENEWAL

- 2.1 The process revealed that there is a very limited number of companies willing to tender for the business and that there has been a considerable increase in the premiums being demanded. The Zurich Municipal bid offered the best cover at the most advantageous price
- 2.2 The main reasons for the increases in premiums are, a significantly reduced insurance market, increase in arson attacks on schools and other buildings nationally and the unease following September 11.
- 2.3 The biggest increases in costs we have faced are in respect of the premiums for property and public liability cover with increases of 42% and 130% respectively.

3. ENVIRONMENTAL IMPLICATIONS

- 3.1 There are no environmental implications.

4. FINANCIAL IMPLICATIONS

- 4.1 The additional general fund expenditure required to meet the increased premiums for 2003/4 is £68,000.
- 4.2 There is also additional housing revenue account expenditure required to meet the increases in property insurance in 2003/04 of £41,000.

5. CRIME AND DISORDER IMPLICATIONS

- 5.1 There are no crime and disorder implications.

6. RECOMMENDATIONS

- 6.1 It is recommended that Cabinet approve the additional expenditure outlined at 4.1 and 4.2 of this report to meet the costs of increased insurance premiums for 2003/04.

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Background papers

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