Insurance Renewal 2025

The Council last tendered its insurance premium portfolio in 2021, with the following insurers appointed across the various covers:

Table 1

Cover	Insurer
Combined Liability	Zurich Municipal
Personal Accident and Travel	Zurich Municipal
Engineering	Zurich Municipal
Fidelity Guarantee	Zurich Municipal
Property (Including Leasehold)	Protector
Property - Redoubt Fort	Ecclesiastical
Motor Fleet	Protector
Marine	AUM (RSA)
Drone Liability	Allianz

The insurance 'year' runs from 1 October each year to the 30 September the following year.

The original term of the above contract(s) was 3 years with an option to extend for a further 2 years. The extension option was exercised in 2024 with the 2025/26 renewal 'year' being the last allowable year under the original procurement decision, with a retender process required for the period from 1 October 2026. Renewal terms have now been received for the non-Zurich Municipal Policies above.

Similarly to last year, the decision relating to the renewal of insurance covers this year will be in two parts – the first part relating to non-Zurich Municipal policies (highlighted grey in Table 1 above) with the second relating to policies issued by Zurich Municipal. The first part is the subject of this report with the second being subject to a separate report / decision.

The Council's brokers AON, have worked with our insurers (apart from Zurich Municipal who only deal direct with the customer rather than via a broker service), and have been able to secure the following renewal terms, which includes a comparison with existing prices:

Table 2

Cover	Existing Premium	Renewal Premium	Increase / (Decrease)
Property	£303,998.20	£346,479.60	£42,481.41
Property Leasehold	£46,912.03	£47,340.19	£428.16
Property - Redoubt Fort	£24,940.64	£26,342.52	£1,401.88
Motor Fleet	£64,478.08	£49,171.74	(£15,306.34)
Marine	£8,585.71	£9,057.44	£471.73
Drone Liability	£3,231.20	£7,823.20	£4,592.00

The primary increase / change in the premiums relates to a change in the sum insured values rather than significant underlying rate increases. The total increase in premiums set out above is £34,068.84.

To ensure that there is no lapse in cover, renewal instructions need to be provided to the insurers on or before the renewal date of 1 October 2025.

Therefore, relying on a delegation under Part 5.38 Para 6.1.3 of the Council's Constitution, the above renewal commitment can be made ahead of the associated budget adjustment where the matter is determined to be urgent by the Chief Finance Officer. Although there have been delays in collating information to support our insurers in confirming renewal terms, these have only just been received and therefore do not allow any reasonable time to obtain the necessary approval via potential alternative approaches set out within the Constitution.

As required under the same part of the Constitution highlighted above, the Chief Finance Officer must report to Cabinet on how the additional cost above is to be funded at the earliest opportunity. With this in mind, the proposed approach will be set out within an associated report that will be presented to Cabinet in October / November and will include funding proposals. The in-year financial position of the Council is expected to provide enough financial flexibility to meet the additional costs, which is further complemented by the available Corporate Investment Fund.

It is important to highlight that some work remains outstanding relating to various sums insured that are currently reflected within the premium prices quoted above. Work remains on-going to validate the figures and it may therefore be necessary to undertake further decision making if there are changes to the renewal premium costs currently highlighted.

References to the agreement of the Chief Finance Officer mentioned above are effectively fulfilled as they are also the decision maker as published, but to insure independence and good governance, the approach proposed has been discussed with and acknowledged by the Council's Monitoring Officer.

There are no changes to the underlying terms and conditions including the level of excesses proposed.

Although the annualised increase to the budget totals £34k, an element of this will fall to the Housing Revenue Account, which will be considered within the financial performance reports / financial forecast later in the year.

Following consideration of the above, it is proposed to accept the current renewal terms and prices set out.

Recommendation:

1) **That the Council's insurance policies be renewed with the insurers highlighted grey in Table 1 above based on the renewal premiums set out in Table 2 above.**

Richard Barrett
Corporate Director Finance & IT

30 September 2025
Date