

Action Points from Insurance Services Meeting, held at Newark and Sherwood District Council on the 12th January 2007



Present: As per delegate list

Agenda Item	Details	Actions
1.	<p><u>Welcome, introductions and progress so far</u></p> <p>JJ welcomed everyone to the meeting and outlined the aspirations of the workstream, key themes were;</p> <ul style="list-style-type: none"> • The historical position around Insurance Services and previous activities prior to the day • Options available to the group and practical solutions to move the project forward • Emphasis on the need to make positive steps toward progress and a practical approach 	ALL
2.	<p><u>Presentation by Marsh Associates:</u></p> <p>Brian Shaw (Marsh Associates) and Martin Fone (Charles Taylor Consulting) presented the results of their on-line survey and the current situation for District Councils within the insurance market. They presented findings as follows;</p> <ul style="list-style-type: none"> • Most District Council's are insured with Zurich • There is a low appetite for change amongst other insurers • There are a small volume of claims due to levels of outsourcing <p><u>Key options for Authorities</u></p> <ul style="list-style-type: none"> ■ Mutual insurance company <ul style="list-style-type: none"> - Guaranteed - Discretionary ■ Captive insurance company <ul style="list-style-type: none"> - Group or Association captive - Protected Cell Captive ■ Risk Purchasing Group (a consortium) <p><u>Next Steps</u></p> <ul style="list-style-type: none"> ■ Complete insurance benchmarking exercise ■ Formalise pooling group / consortium ■ Appoint advisors ■ Seek clarification of LTA position on existing policies ■ Analyse data – determine optimum risk retention / transfer point (deductible levels) ■ Design insurance programme ■ Draw-up specifications ■ Approach insurance market for quotations <p style="text-align: right;">(Slides Enclosed)</p> <p>Brian.G.Shaw@marsh.com martin.fone@ctcplc.com</p>	ALL
3.	<p><u>Presentation by Zurich Municipal Barbara Faal</u></p> <p>Barbara Faal gave a brief explanation on why we insure and how authorities can reduce costs, the key theme being managing risk effectively and good communication with the provider of the insurance, key aspects were;</p> <ul style="list-style-type: none"> • Increase self Insurance levels • Demonstrate effective risk management • Negotiate with insurance provider for better prices 	ALL

	<ul style="list-style-type: none"> • Go out to tender – this will indeed achieve better terms <p>Barbara gave examples of how smaller District Councils could manage risk.</p> <ul style="list-style-type: none"> • ADT Fire and Security – around the building • Mistakes in procedures • Training for staff e.g. Refuse collection drivers • Improved management of people (Training/Health) <p>RISK MANAGEMENT HAS TO BE PART OF THE INTERNAL CULTURE OF ANY ORGANISATION – THIS ALSO APPLIES TO INSURANCE PROVISION</p> <p><u>Big Risk Areas</u></p> <ul style="list-style-type: none"> • Highways Agency • Housing • Planning • Industrial diseases <p><u>In Summary options are:</u></p> <ul style="list-style-type: none"> • Traditional insurance market • Consortia purchase • Self insurance • Mutual • Captive <p style="text-align: right;">(Slides Enclosed)</p> <p>barbara.faal@uk.zurich.com</p>	
4.	<p><u>Presentation by WMCoe</u></p> <p>Jonathan Jones briefly went through the findings of the detailed benchmarking exercise (prepared by Carly Haswell) and highlighted specific aspects and features. The presentation and details are enclosed with the slides. jjones@wmcoe.gov.uk</p>	ALL
5.	<p><u>Group Discussion and Feedback</u></p> <p>The afternoon session was then devoted to group discussion where delegates split into three smaller groups to discuss the options presented by both Zurich and Marsh. Options had been highlighted as follows;</p> <ol style="list-style-type: none"> 1. Mutual 2. Consortium 3. Joint Purchasing 4. Self Insurance <p><u>Group Results</u></p> <p><u>Group 1</u> Consortium Purchase – Chosen option Mutual – too complex to get 20/30 authorities together</p> <p><u>Group 2</u> Consortium Purchase Mutual - Beyond District capabilities at this stage</p> <p><u>Group 3</u> Consortium Purchase Mutual – too complex</p> <p>For a mutual to work there would be commitment from local authority directors to form a mutual company or special purpose vehicle. Also forward buying if the market is at a low point.</p>	ALL

<p>6.</p>	<p><u>Action Points (The Way Forward)</u></p> <p>The following action points were then agreed to move this project forward in a meaningful way for the region and maximum benefit for authorities;</p> <p>(a) A simple Good Practice guide required for Insurance be produced to ensure best practice is communicated across both regions (and wider)</p> <p>(b) A Smaller steering group to be set up to offer both procurement and insurance expertise. (Actioned) Next meeting to be held Tuesday 13th Feb 10.30am at East Midlands Centre of Excellence</p> <p>(c) Steering group to shape feasibility study as the first stage in the consortium purchase option (and the funding of any feasibility studies).</p>	<p>ALL</p>
<p>7.</p>	<p><u>Date and Time of Next Meeting</u></p> <p>To be communicated after the discussions on the 12th February 2007</p>	<p>ALL</p>