

AGENDA ITEM:

REPORT TO:	MERSEYSIDE FIRE & RESCUE AUTHORITY MEETING
DATE:	30TH JUNE 2011
REPORT NO.	CFO/070/11
REPORTING OFFICER:	ASSISTANT CHIEF EXECUTIVE & TREASURER
CONTACT OFFICER:	DEB APPLETON, DIRECTOR OF STRATEGY & MEMBER DEVELOPMENT, EXTN 4402
OFFICERS CONSULTED:	CAROLINE BERRY, LITIGATION & INSURANCE OFFICER
SUBJECT:	TENDER FOR INSURANCE SERVICES 2011

THERE ARE NO APPENDICES TO THIS REPORT

Purpose of Report

1. To request that Members note the recommendations of this report relating to the award of the contract for the Authority's insurance services.

Recommendation

2. That Members note the recommendations of the report relating to the savings resulting from the insurance tender process.

Introduction & Background

3. Further to the previous reports considered by the Authority, the tender process for the provision of insurance services has now been completed. In accordance with the Authority's prior agreement the contract was awarded to Zurich Municipal having been approved by the Chair of the Authority and the Clerk to Authority.
4. Tenders were received from Risk Management Partnerships. Travelers and Zurich Municipal. All were scored against a pre-agreed scoring matrix and Zurich Municipal was found to offer the best cover for the Authority at a reasonable cost.

5. As a result of the process the excess for both Public and Employer's Liability have been reduced from £1 million to £500,000 which reduces the exposure of the Authority in the event of a catastrophic claim. In addition the combined aggregate stop loss has reduced from £4 million to £3.5 million. This also reduces the potential exposure of the Authority as the stop is the limit of casualty claims it will pay. After this Zurich Municipal will pay any further losses.
6. As a result of the tender process a reduction of £23,717.01 (5.4%) per year has been achieved compared to the premium for 2010-11. The contract is for 3 years with an option to extend for a further 2 years.
7. This process was carried out in collaboration with GMFRS. Whilst MFRS and GMFRS have chosen different insurers both have achieved increased levels of cover at a more advantageous price.

Equality & Diversity Implications

8. None arising out of this report.

Financial Implications & Value for Money

9. The tender for insurance services has resulted in wider cover being obtained at a reduced cost. The total insurance premium per annum for all types of cover is forecast to be £464,254.96, this includes some specialist insurance policies not included in the tender process.

Health & Safety and Environmental Implications

10. None arising out of this report

Contribution to Achieving Our Purpose:

"To Make Merseyside a Safer, Stronger, Healthier Community"

11. This process has ensured that the Authority is providing adequate insurance for the risks faced whilst providing value for money.

BACKGROUND PAPERS

None