

## Members' Library Service Request Form

Date of Document	18/06/15
Originator	Karen McLeod
Originator's Ref (if any)	
Document Title	Personal Accident & Travel Insurance - 1 July 2015

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Cabinet
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Additional information:

Authorised By	Jim Lamond
Designation	Head of Council Resources
Date	01/07/15

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**REPORT TO:** Members' Library Service

**DATE:**

**BY:** Head of Council Resources

**SUBJECT:** Personal Accident & Travel Insurance – 1 July 2015

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## 1 PURPOSE

To recommend decision for the Council's insurance policy for Personal Accident & Travel Insurance which falls due for tender on 1 July 2015

## 2 RECOMMENDATIONS

Cabinet is asked to note the decision of the Head of Council Resources to approve the tender from AIG Europe Limited (via RMP) on the following terms:

	Premium	Excess per event	Annual Aggregate
<b>AIG Europe via RMP</b>	£ 6,327.00	Nil	NIL

All premiums exclude Insurance Premium Tax at 6%

The policy cover will be as per the existing policy. This is shown within background.

## 3 BACKGROUND

East Lothian Council currently has in place an insurance policy for Travel Insurance & Personal Accident cover for overnight trips for Council Employees and School excursions. The current policy expires on 30<sup>th</sup> June 2015. The Council's requirements were tendered via Public Contracts Scotland on the same levels of cover as the existing policy but with the addition of cover for Duke of Edinburgh excursions at the request of Outdoor Education. The contract was requested for three years plus a further two year option. It is recommended that the claims experience is reviewed after three years and, if favourable, tenders should be sought after three years.

Initially interest was received from three insurers, however, following an updated notification of claims experience from our current insurer as a result of a claim in excess of £195,000, only one tender was received which was from the Council's existing insurer.

The premium is calculated based on travel pattern for previous year and claims experience along with salary bill in respect of personal accident cover. The premium quoted is higher than the premium paid in 2014 owing to the increased cost in claims and the higher number of travellers who are mostly school pupils and teachers.

	<b>2014/15</b>	<b>2015/16</b>
<b>Premium</b>	£ 4,219.00	£6,327.00
	No of Travellers 13/14	No of Travellers 14/15
<b>UK</b>	1040	1579
<b>EUROPE</b>	718	1171
<b>USA</b>	28	25
<b>REST OF WORLD</b>	21	51

**The core cover for Personal Accident is:**

- Death
- Loss of one eye or one limb
- Loss of both eyes or two or more limbs
- Loss of speech
- Loss of hearing
- Permanent Total Disablement
- Permanent Partial Disablement

**The core cover for travel (with at least one overnight stay) is:**

- Death
- Loss Of limbs/eyes
- Permanent /temporary disability
- Medical emergency including access to medical services (24 hour) and emergency assistance
- Legal expenses
- Personal Liability
- Personal Property
- Money
- Cancellation/Curtailment/Travel disruption
- Hijack

#### **4 COMMUNITY BENEFITS IN PROCUREMENT**

Nil

#### **5 EQUALITIES IMPACT ASSESSMENT**

Information provided in tender document stating policy on equality

#### **6 POLICY IMPLICATIONS**

External Insurance is designed to protect the financial well-being of the Council in the case of unexpected loss, whilst achieving an appropriate balance between the cost of premiums and the risk the Council takes on under an insurance policy. Good risk management can help reduce reliance on external insurance so that cover is only required for major or catastrophic events. Insurance & Claims within Council Resources hold regular meetings with Risk Management and Health & Safety and will provide management information throughout East Lothian Council to identify the highest risks and costs of claims.

#### **7 RESOURCE IMPLICATIONS**

7.1 Financial – As stated in the report. Cost of insurance premiums is already budgeted with an inflationary increase being applied each year. The proposed premium costs associated with the new contract can be met within approved budget levels. No additional premium has been charged for including Duke of Edinburgh trips.

7.2 Personnel – No change to existing personnel.

7.3 Other – None known at this time.

<b>AUTHORS' NAME, DESIGNATION &amp; CONTACT INFO</b>	Karen McLeod, Insurance & Claims Officer Tel. 01620 827876 Email: kmcleod2@eastlothian.gov.uk
<b>DATE</b>	18 June 2015