

LEDBURY TOWN COUNCIL

FINANCE, POLICY & GENERAL PURPOSES COMMITTEE	28 NOVEMBER 2019	AGENDA ITEM: 14
---	-------------------------	------------------------

Report prepared by Angie Price – Town Clerk

ANNUAL INSURANCE RENEWAL

Purpose of Report

The purpose of this report is to provide members of the Finance, Policy & General Purposes Committee with details of the cost of the Insurance renewal which will take effect on 18 December 2019.

Detailed Information

Currently Ledbury Town Council is signed up to a long-term agreement for insurance with Ecclesiastical, which is managed by Came & Company who act as our Insurance Agent. The current agreement is due to expire on 17 December 2020, prior to which officers will prepare a detailed report with future proposals in relation to the Council's insurance cover.

The renewal has been based on the sums insured which are index-linked by 4%, which has resulted in a renewal premium of £9,872.65, plus an administration fee of £75.00, giving a total annual premium for the period 18 December 2019 – 17 December 2020 of £9,947.65. Attached is a list of the changes to the policy for the ensuing year.

Recommendation

As the Council is linked into a long-term agreement with Ecclesiastical for their insurance needs, which does not expire until 17 December 2020, Members are requested to receive and note the above and attached information.

Charity & Community Insurance renewal pack

Changes to your policy

How has your policy changed?

We have updated your policy to the most up-to-date version. This document summarises the key differences. For full details of what is included, please refer to your new documentation which you should check carefully to ensure it still meets your needs. **If you have any questions or concerns please contact us.**

Cover/item	Your old policy	Your new policy
How we use your data	Our notice is in line with the Data Protection Act 1998.	Our notice has been updated in line with the General Data Protection Regulation applicable from 25 May 2018. We have also included the notice for DAS Legal Expenses Insurance Company Limited (DAS) in the Legal expenses section.
PR Crisis helpline	Not included.	Included, provides advice if an incident could lead to a Public relations crisis.
Property and Business interruption – basis of cover	Insured events policy – the schedule shows which events you have chosen to insure.	All risks policy – damage or loss is covered unless a specific exclusion applies.
Unoccupied definition/condition	Terms apply immediately following unoccupancy.	Terms apply after 30 days. A specific condition highlights our requirements when a property is unoccupied.
General exclusions	See your previous policy for exclusions that apply.	The latest market wide reinsurance exclusions have been updated along with common market updates and changes e.g. electronic risks excludes Cyber events such as misuses of data or operator error.
Property damage section – Buildings definition	See your previous policy for details.	We have clarified that buildings does not include any natural or artificial watercourses or bodies of water including their confines and structures.
Marquees	Not mentioned.	Excluded, unless specified.
Solar panels, wind turbines, landscaping costs, removal of insect nests	Not specified/not included.	Cover for these is included up to specified limits.*

21/11/18 267

Cover/item	Your old policy	Your new policy
Underground pipes and cables	Included by extension, applies where the buildings are insured or where you are liable for repairs as tenant.	Included under the buildings definition, will be covered where buildings are insured.
Property in the open	See your previous policy for the cover and limits that apply.	There are some changes to the sub limits that apply with a new aggregate limit of £20,000 any one period.*
Raffle prizes and donated goods	Up to £1,500 any one claim.	Up to £5,000 any one claim, £2,500 any one item.*
Damage to the buildings by theft	Covers theft damage following theft of contents up to £25,000 and repairs following theft of the fabric of the building or theft of external metals up to £5,000.	The limit for damage following theft of contents has been removed whilst the limit for repairs following theft of external metal has increased to £10,000.*
Property away from the premises	See your previous policy for the cover and limits that apply.	There are some changes to the sub limits that apply.
Archaeological costs	Not covered.	Covered, up to £250,000 any one claim.
Green clause	Not included.	Included, for environmental improvements following damage, see your policy for the limits that apply.*
Equipment breakdown – covered equipment	Covers most equipment including lifts and air conditioning systems.	Simplified definition with some new exclusions relating to large scale or specialist equipment, biomass and biogas installations and hydroelectric installations.
Equipment breakdown – Exclusions	See your previous policy for details.	See your previous policy for details. Some exclusions have been removed. New exclusions for operator error and for conditions that can be corrected e.g. by resetting.
Equipment breakdown – Existing extensions e.g. business interruption, hazardous substances, expediting expenses, computer equipment and reinstatement of data	See your previous policy for the limits that apply.	These limits have been improved. Some exclusions have been removed.

Cover/item	Your old policy	Your new policy
Business interruption extension – Archaeological digs	Not covered.	Covered up to 10% of the sum insured or £500,000 whichever is the less.
Business interruption extension – Death of patron	See your previous policy for the terms that apply.	No change to breadth or depth of cover, just delivered in a different way. Cover is now in the new Reputational risks section.
Goods in transit – exclusions	See your previous policy for details.	To make the extent of cover clearer we have added new exclusions.
Money – Personal assault benefits	See your previous policy for benefits that apply.	Benefits and some limits have been improved e.g. temporary total disablement and temporary partial disablement.
Personal accident – Personal assault benefits	See your previous policy for benefits that apply.	Benefits and some limits have been improved e.g. temporary total disablement and temporary partial disablement.
Personal accident	One definition of permanent disablement applying to all – inability to follow any gainful employment. No cover for disappearance.	Separate definitions of permanent disablement for employees and volunteers – inability to follow usual occupation for employees, inability to follow any occupation for volunteers. Other definitions (temporary partial disablement and temporary total disablement) have been amended in line with the above. Cover includes disappearance after 12 months.
Personal accident – Travel restriction	Not mentioned.	Excludes travel which is against the advice of the Foreign and Commonwealth Office for all but essential travel.
Loss of registration/licence – Wedding licence	Not covered.	Now available as an optional section. See your policy for details and the limits that apply.

Cover/item	Your old policy	Your new policy
Public & products liability extension – Data protection	Covers you for third party claims for damages under the Data Protection Act 1998.	<p>Covers you for third party claims for damages under the most recent data protection legislation.</p> <p>Also covers defence costs for certain prosecutions in connection with the legislation – this is for claims occurring in the current period of insurance.</p> <p>To further protect you we are providing some additional cover for past events that would have been covered under a previous 'claims made' policy which you become aware of in the current period of insurance, and report to us within 28 days of you becoming aware.</p>
Public & products liability extension – Overseas personal liability	Cover for directors, trustees and employees, when temporarily outside the UK in connection with the business.	Now covers families, in addition.
Public & products liability extension – Libel and slander	See your previous policy for the terms that apply.	<p>No change to breadth or depth of cover, just delivered in a different way.</p> <p>Cover is now in the new Reputational risks section.</p>
Public & products liability extension – Officials indemnity	See your previous policy for the terms that apply.	<p>No change to breadth or depth of cover, just delivered in a different way.</p> <p>Cover is now in the Officials indemnity section.</p>
Reputational risks (Libel and slander, PR Crisis Communication and Death of Patron)	Cover provided as extensions under the Business interruption, Liabilities, Officials indemnity and Professional indemnity sections.	Cover now provided all in one section.
Professional indemnity	Covers wrongful acts and dishonest acts.	<p>Covers any civil liability unless excluded.</p> <p>Some limits have been increased.</p>
Professional indemnity section – Data protection	If you have this section, some cover for data protection prosecutions applies.	Cover for data protection prosecutions has been removed from this section and is now included within the Liabilities section.

Cover/item	Your old policy	Your new policy
Professional indemnity – exclusions	See your previous policy for the exclusions that apply.	Additional exclusions include: additional liabilities incurred under contract and any claim where you are entitled to indemnity under the Public & products liability section of this policy.
Officials indemnity – exclusions	Failure of computer.	Additional exclusions apply.
Legal expenses section - Insured definition	See your previous policy for the definition that applies.	Broadened definition of Insured to include volunteers and labour only contractors.
Legal expenses section – Limit of indemnity	If you have this cover, your schedule will show the limit of indemnity that applies, this may be less than £250,000.	<p>If you have this cover a minimum limit of indemnity of £250,000 applies, to reflect increasing legal costs.</p> <p>See your schedule for the limit that applies to you.</p> <p>For clarification, the term "limit of indemnity" is defined in your policy; it covers legal costs and expenses including solicitors' and barristers' fees, court costs, expenses for expert witnesses, attendance expenses, accountants' fees and employment compensation awards (the latter are further limited to an aggregate limit in total for all such awards in any period of insurance as stated in your policy).</p>
Legal expenses section – Cover	<p>The date of occurrence (as defined) must be within the period of insurance.</p> <p>Contract disputes and debt recovery are optional covers.</p>	<p>The date of occurrence (as defined) must be within the period of insurance.</p> <p>To further protect you we are providing some additional cover for past events that would have been covered under a previous 'claims made' policy which you become aware of in the current period of insurance.</p> <p>Contract disputes and debt recovery are now part of the standard cover.</p>

Cover/item	Your old policy	Your new policy
Legal expenses section – What we will pay	We will pay costs and expenses incurred by a law firm that DAS appoints.	<p>We have clarified the amount that will be paid for representation should you choose your own law firm.</p> <p>If you choose another firm, we will pay the reasonable amount that we would have paid the DAS-preferred law firm, currently £100 per hour.</p> <p>The relevant policy conditions have been updated on this basis.</p>
Legal expenses section – Employment disputes and compensation awards insured event	<p>See your previous policy for the cover that applies.</p> <p>Contains various requirements the insured must follow in order for cover to apply.</p>	<p>Cover has now transferred to Employment Practices Legal Protection which means that there is no need for employment dispute claims to be more likely than not to succeed.</p> <p>Some new exclusions also apply e.g. compensation awards relating to adoption rights.</p> <p>Some exclusions have been applied and some existing exclusions have been removed or revised.</p> <p>Cover is still subject to acceptance criteria and exclusions as specified in the policy, however certain notification requirements have been removed, so that it is no longer a requirements to follow ACAS or DAS advice for a claim to be accepted.</p>
Legal expenses section - Legal defence insured event - Data protection	Cover is provided in line with the Data Protection Act 1998.	<p>Cover is provided in line with the General Data Protection Regulation applicable from 25 May 2018.</p> <p>We have also confirmed that we will not cover any cyber-related claims e.g. due to virus or similar under this cover.</p>
Legal expenses section - Contract disputes insured event	<p>£500 excess, if the amount in dispute exceeds £5,000.</p> <p>See your previous policy for the terms that apply.</p>	<p>We have clarified that you will be asked to pay the excess up-front.</p> <p>There are some additional exclusions e.g. relating to disputes over the sale or purchase of land or buildings (these should be dealt with by your conveyancing solicitor).</p> <p>Waiting periods have been removed where the Insured has pre-existing legal expenses cover.</p>

Cover/item	Your old policy	Your new policy
Legal expenses section – Debt recovery insured event	See your previous policy for the terms that apply.	<p>These are some additional exclusions e.g. relating to disputes over the sale or purchase of land or buildings (these should be dealt with by your conveyancing solicitor).</p> <p>Waiting periods have been removed where the Insured has pre-existing legal expenses cover.</p>
Legal expenses section – Property protection and personal injury insured event – Personal injury cover	Not mentioned: psychological injuries, mental illness, clinical negligence.	<p>Psychological injuries & mental illness must be due to an accident that has caused physical injury.</p> <p>Excludes clinical negligence.</p>
Legal expenses section – Tax protection insured event	Covers certain tax enquiries and VAT disputes.	Your new policy confirms that this does not, however, cover disputes relating to import or excise duties and import VAT.
Legal expenses section – Exclusions	See your previous policy for the exclusions that apply.	<p>Exclusions have been updated to clarify cover e.g. no cover for written or verbal remarks that damage your reputation, or for proceeds where you are not legally represented.</p> <p>Debt recovery does not include debts in connection with the sale or purchase of land, or debts purchased from a third party.</p>
Fidelity - definitions	See your previous policy for the definitions that apply.	Definitions updated and directors and retired consultants are now covered as employees (certain restrictions apply).
Fidelity - exclusions	See your previous policy for the terms that apply.	To make the extent of cover clearer we have added new exclusions.
Fidelity - Minimum Standard of Control and Conditions	See your policy for the requirements that apply.	To align with improved best practice in the security/risk management of FG risks, new requirements apply to eliminate or mitigate potential losses.

Cover/item	Your old policy	Your new policy
Fidelity - extensions (Pension fund trustees and Temporary agency staff)	No cover applies.	New extensions apply.
Terrorism section	See your previous policy for this section of cover, your schedule will show if you have this.	We've made changes as required by our reinsurer Pool Re including:- - new cover for some terrorist-related cyber events - clarification over mixed-use (residential and commercial) properties that may be insured.

* The policy wording will state whether the limits increase the sums insured that apply or whether they are included within the Limit of liability.