

APPENDIX 1

Summary Of Insurance Arrangements & FAQ

(Excluding Schools)

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BRIDGEND COUNTY BOROUGH COUNCIL

INSURANCE

This guidance note provides a summary of the council's principal insurance covers. Whilst it provides an overview, it does not include all the covers or the full policy terms and conditions. If sight of these is needed please contact: -

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Please note that this guide does not include cover for schools. A separate guide has been issued to all schools concerning their insurance arrangements.

PROPERTY COVER

Summary of cover

The council insures the following under a blanket cover:

Buildings, and contents
Motor vehicles stored in depot

The cover provides financial protection against various perils:

Buildings and contents – Fire, lightning, explosion, riot/civil commotion, storm, flood, escape of water, aircraft and theft

Motor vehicles in depot – Fire, lightning, explosion and storm.

FAQ

How much is the policy deductible?

Other than for storm and flood, the property damage cover is subject to a £25,000 each and every claim deductible. This means that the Insurer will not pay any loss below this figure. Any loss over this amount will have this figure deducted from the final settlement. Losses caused by insured perils that are within the deductible will be paid by the council's insurance fund.

The deductible for storm and flood is £25,000 each and every event. I.e. many properties could be damaged by a single storm and only one deductible will apply.

What should I do in the event of a claim?

In the event of damage by an insured peril you should contact the Risk Management & Insurance Section. If the loss is in excess of £2,500 a Loss Adjuster might be appointed.

What if Insurers survey a building?

During the course of the year Insurers can visit the council's properties. Arrangements will be made with the building manager via the Risk Management and Insurance Section. Insurers will then produce a written report making "recommendations" and "requirements." The difference between these is important. "Recommendations" to improve the risk might be made by the Insurer. Whilst they strongly urge you to implement them, non-compliance will not prejudice the insurance cover. "Requirements" are different. These are improvements that must be carried

out within an indicated timescale in order that the insurance cover is not prejudiced. They should not be ignored because if a loss occurred resulting from the identified hazard the Insurer would be at liberty not to pay the claim.

What should I do in the event that a building becomes unoccupied?

In the event that a building becomes unoccupied you should do the following:

- 1) Remove as much combustible material as possible.
- 2) Consider boarding up accessible windows and doors.
- 3) Disconnect utilities. If there are electronic security measures in place, consider isolating the circuits for these and disconnecting others.
- 4) Conduct regular documented inspections.
- 5) When it will be unoccupied for more than 30 days inform the Risk Management & Insurance Department on 643318.
- 6) Note that cover automatically reduces to fire, lightning aircraft and explosion but that additional cover might be negotiated on a case by case basis.
- 7) Inform the Property Department at Raven's Court.

Are items insured if they are kept anywhere other than inside a council property?

Other than for a small number of pre agreed items, the only property which is insured outside of a Bridgend council building are items covered under the travel policy and also computer equipment. If insurance cover is required for property left in the open or away from a council building please contact the Risk Management & Insurance Section who will try to assist on a case by case basis.

When else should I contact the Risk Management & Insurance Department?

You can contact the section at any time to discuss insurance related concerns. Please ensure that you notify any circumstances that you think would change an Underwriters view of the risk. Examples are:

- 1) In the event that an existing building is extended or if a new building is built.
- 2) When additional contents are purchased.
- 3) When fire protection or security arrangements change.
- 4) If the Police advise that they will no longer respond to an alarm because of the number of false alarms that have taken place.

BUSINESS INTERRUPTION

Summary of cover

The insurance for business interruption is in four sections:

- 1) For administrative buildings the insurance covers the increased costs that the council may incur for a period of up to three years following an insured property damage claim. For example, the cost of hiring temporary buildings. This cover is limited to £3,500,000.
- 2) The Grand Pavilion has the benefit of an insurance protecting the gross revenue for a two-year period following an insured property claim.
- 3) Bryngarw House has the benefit of insurance protecting gross profit (defined as turnover less variable costs) for a two-year period following an insured property loss.
- 4) The council is insured up to a maximum period of 36 months in the event that an owned property is damaged and a loss of rent occurs.

FAQ's

Does a deductible apply?

Yes, this cover is subject to the same £25,000 deductible as the property damage cover. However, it is only applied once over a property damage and business claim.

Losses caused by insured perils that are within the deductible will be paid by the council's insurance fund.

MONEY

Summary of cover

The council's money is insured, however the limit is dependent on where it is.

Non-negotiable money	£250,000
Money in transit or in the premises during business hours	£ 4,000
Money in the premises in a locked safe or strong room up to (Dependent on type of safe. Different safes have different limits)	£ 15,000
Money in the premises out of business hours and not in a Locked safe	£ 1,000
Money in the private residence of authorised employees	£ 750

FAQ's

Is there a policy deductible in the event of a claim?

Yes, the council shall be liable for the first £100 of each and every loss.

What should I do in the event of a claim?

In the event of an incident taking place that could give rise to a claim, please contact the Risk Management & Insurance Section and confirm the amount stolen, where the money was stored, who had access to it, how the theft occurred and whether the Police had been informed.

What are the escort requirements if money is moved outside a council building?

If money is carried by BCBC staff amounts between £2,500 and £4,999 must be carried by at least two persons and between £5,000 and £6,999 by at least three.

COMPUTERS

Summary of cover

IT equipment is covered on an "All Risks" basis, subject to certain exclusions and conditions. The policy extends to cover breakdown due to sudden mechanical or electrical failure but not general wear and tear.

The policy extends to cover a wide range of electronic equipment including items used for the storage and communication of electronically processed data, interconnecting wiring, telecommunications equipment, computerised telephone systems and electronic access equipment. It also includes ancillary equipment used with the hardware such as air conditioning, temperature control equipment and fire suppressant systems.

Portable computer equipment is also covered including laptops, palmtops, PDA's, Projectors, printers and digital cameras.

Some key issues

Like all insurance policies the cover is subject to a "reasonable precautions" clause. This clause may be used by Insurers to avoid a claim; if for example, access was gained to a building out of hours due to an open window or an unlocked door. Similarly the policy will not respond in the event that a computer is stolen from an unattended vehicle.

The policy includes the breaking or burning out of any part of the equipment that causes a sudden stoppage whilst in use, arising from a mechanical or electrical defect. However this only applies if you keep maintenance service agreements in force with the manufacturer or a firm approved by the manufacturer. The insurance will then only cover the costs not recoverable under the terms of the maintenance service agreement.

FAQ's

Are computers just covered whilst they are in council premises?

No, the policy applies anywhere in the UK.

Is there a policy deductible?

Yes, the deductible is £2,500 each and every claim.

On what basis will a claim be settled?

Once cover has been established, settlement would be made on a reinstatement basis, subject to a deduction for the deductible. Reinstatement means that settlement will be on a like for like basis to the item of equipment that was the subject of the claim. The policy will not pay for better equipment than that lost. Computers have been getting cheaper over the course of time. Consequently, it is possible that the settlement figure will be less than was originally paid for the item.

FIDELITY GUARANTEE

Summary of cover

This insures financial loss to the council brought about by staff dishonesty.

FAQ's

What is the maximum sum that is insured?

The maximum sum insured is £10,000,000.

Is there a policy deductible (excess)?

Yes, a deductible of £10,000 each and every claim applies

EMPLOYERS & PUBLIC LIABILITY INSURANCE

Summary of cover

The policy insures the council against its liability to pay damages and legal costs, following the accidental death or injury of persons or accidental damage to their property.

FAQ's

What is the maximum limit of indemnity?

The maximum limit of indemnity is £50,000,000 any one claim.

What should we do in the event of a claim?

As soon as you become aware that an incident has taken place that could give rise to a claim all evidence and documentation relevant to it should be retained. This might include photographs, statements from witnesses, risk assessments, training records, work instructions, accident book entries, first aider reports, repair and maintenance records and the like.

In the majority of cases a letter of claim will be sent to the Risk Management & Insurance Section by a firm of Solicitors. However, if you receive a letter of claim do not respond to it, but send it immediately to the Risk Management & Insurance Section.

Alternatively, you may be contacted by the claimant advising that they wish to make a claim against the council. If this occurs, please ask them to contact the Risk Management & Insurance Section on (01656) 643318.

The section will acknowledge the claim, forward it to Insurers and request a report on the incident from the member of staff responsible for Health and Safety in the area concerned. They will then undertake a site visit and gather relevant information. At a later stage a representative from our Insurance Company or a Solicitor acting on our behalf may also visit to obtain information to help them assess the liability of the council.

Is there a policy deductible?

Yes, in the 2012/13 year there is a deductible of £116,000 on each and every claim. In the event that the negligence of the council has led to the loss, settled claims will be paid up to this amount from the Council's "insurance Fund." Insurers will pay amounts over £116,000.

When else should I contact the Risk Management & Insurance Department?

You can contact the section at any time to discuss insurance related concerns. Please ensure that you notify any circumstances that you think would change an insurers view of the risk. Examples of these might be the organisation of unusual work or activities or work with new vulnerable groups.

OFFICIALS INDEMNITY

Summary of cover

This covers errors committed or alleged to have been committed by any employee arising out of the performance of the council's statutory duties.

FAQ's

What is covered?

The Insurer will indemnify the council (and at the council's request any employee, Member or volunteer) in respect of all sums it becomes legally liable to pay as damages and legal costs for the financial loss of a third party arising as a result of a negligent act or accidental error or omission by an employee.

What is the limit of indemnity?

The limit of indemnity is £10,000,000.

Is there a policy deductible?

Yes, in the 2012/13 year there is a deductible of £116,000 each and every claim.

Incidents that could give rise to a claim

It is vital that you notify the Risk Management and Insurance Officer if you become aware that an incident that could give rise to a claim has occurred. Failure to do so may result in the Insurers refusing to provide an indemnity.

PROFESSIONAL INDEMNITY

Summary of cover

This covers our legal liability for financial loss arising as a result of negligent advice provided by BCBC to a third party.

FAQ's

What is the limit of Indemnity?

The limit of indemnity is £5,000,000 each and every claim and in the aggregate for the year.

Is there a deductible?

Yes, the deductible is £5,000.

Incidents that could give rise to a claim

It is vital that you notify the Risk Management and Insurance Officer if you become aware that an incident that could give rise to a claim has occurred. Failure to do so may result in the Insurers refusing to provide an indemnity.

MOTOR INSURANCE

Summary of cover

Third party liability arising out of the use of an insured vehicle. There is a separate comprehensive insurance policy covering leased cars.

FAQ's

Who can drive a council vehicle?

Any person with the permission of the council provided that person has a license to drive that class of vehicle and it is being used for council business.

Are vehicles hired from fleet department insured?

Yes, vehicles hired in by Fleet Department for the business of the council have the benefit of this insurance.

The cover is third party only - What happens to the “accidental damage?”

The insurance fund is responsible for payments for accidental damage to the vehicle over and above the following amounts:

Cars hired in from Fleet Services - £250

Commercial Vehicles, £3,000 other than if the Insurance Section has been specifically asked to cover the vehicle on a comprehensive basis, in which case the figure reduces to £250.

What if I drive my own car on council business?

If you drive your own car whilst undertaking council duties you must first inform your insurance company. Insurance should be arranged that protects you whilst driving your vehicle on the business of the council. Special mention should be made to your Insurers if you carry passengers or tow a trailer.

What happens if I have an accident?

You should complete an accident report form as soon as practically possible and send it to the Risk Management and Insurance Section.

Accident report forms are available from the Risk Management and Insurance Section, Fleet Services and, in some instances such as grass cutting, from your line manager.

If you have a leased car under the council's Leased Car Scheme, you must inform the Risk and Insurance Section of any accident.

If you have an accident when driving your own vehicle on council business, you must inform your own insurers.

PERSONAL ACCIDENT

Summary of cover

Bridgend County Borough Council has the benefit of a Personal Accident policy covering all volunteers, foster carers, Members and persons employed by the council.

Members

The policy will respond whilst members are engaged on council business, including direct travel

Death	£50,000
Permanent Total Disablement	£50,000
Permanent Disabling Injuries	Up to £50,000 depending on nature of injury
Temporary Total Disablement	£100 per week up to a maximum of 104 weeks
Temporary Partial Disablement	£50 per week up to a maximum of 104 weeks

Employees

The policy will respond whilst employees are engaged on council business, including daily travel between their normal residence and normal place or work

Death	2 x gross salary (minimum £35,000)
Permanent Total Disablement	2 x gross salary (minimum £35,000)
Permanent Disabling Injuries	Up to 2 x gross salary depending on nature of injury
Temporary Total Disablement	50% of gross weekly earnings (max. 104 weeks).

Volunteers

The policy will respond to accidents involving volunteers when they are helping with BCBC organised activities. This includes journeys directly connected therewith and journeys directly between private residence and the place of voluntary activity:

Death:	£10,000
Permanent total disablement	£10,000
Permanent disabling injuries	Up to £10,000 depending on the nature of the injury

Foster Carers

The policy will respond whilst the foster carer is engaged in the activities of a foster parent with BCBC, but excluding whilst engaged in their own occupation or when not fostering or caring for children.

Death:	£20,000
Permanent total disablement	£20,000
Permanent disabling injuries	Up to £20,000 depending on the nature of the injury

FAQ's

When does the insurance apply?

The policy operates whilst the injured person is at work and whilst they are commuting between their normal place of residence and work.

TRAVEL

Summary of cover

Benefits include

Medical Expenses	Unlimited
Emergency Repatriation Expenses	Unlimited
Personal Belongings	£10,000
Personal Belongings Delay	£2,000
Business Equipment	£1,500
Money	£5,000
Credit card/Debit card misuse	£3,000
Personal Liability	£5,000,000
Legal Expenses	£50,000

FAQ's

Who is covered?

Any employee or elected member of BCBC authorised to travel outside the UK on the business of BCBC is covered under this policy.

What do I do in the event of a problem abroad?

You should take a copy of the policy with you when you go abroad. This can be obtained by telephoning the Risk Management & Insurance Section.

If during the period of travel you need medical or personal assistance or advice during a journey you may call the helpline "Business Class Assistance." They will be able to help with medical assistance and expertise, air ambulance, local payment of hospital bills, drug replacement, replacing lost or stolen documents, cancelling credit cards, emergency cash, lost luggage location, legal advice and interpreters.

To access "Business Class Assistance" call +44 20 71737796. You will be requested to provide a) your name; b) your employer; c) the nature of the assistance needed and d) a contact number or address where you can be reached.

ENGINEERING INSPECTION AND INSURANCE

The duty to inspect equipment

The council has a responsibility to ensure that equipment requiring statutory inspection is inspected in the correct manner.

The insurance company undertakes statutory inspections of equipment at some council premises. Where they do they also provide Engineering Insurance cover on the items inspected. If they do not provide the inspection service, they do not provide the insurance.

Summary of cover

As long as an inspection has been undertaken the council has the benefit of the following cover:

In respect of hot water heating systems, pressure vessels and similar plant

Explosion and Collapse
Sudden and unforeseen damage

In respect of high pressure hot water systems, steam boilers, vessels and plant

Explosion and Collapse
Sudden and unforeseen damage
Damage to surrounding property

In respect of all electrically or mechanically powered lifts, lifting lowering or handling

Explosion and Collapse
Sudden and unforeseen damage

FAQ's

What are the limits of indemnity?

Explosion and Collapse	£ 250,000
Sudden and unforeseen damage	£ 250,000
Damage to surrounding property	£ 500,000

INSURERS DETAILS AND POLICY NUMBERS

<u>Class</u>	<u>Insurer</u>	<u>Policy No</u>
Property	Ecclesiastical	02/CCS/9147151
Business Interruption	Ecclesiastical	02/CCS/9147151
Money	Ecclesiastical	02/CCS/9147151
Computers	HSB Engineering	G3B143025
Fidelity Guarantee	Chartis Insurance UK	31006716
Liability	Travelers I	UCPOP3838662
Officials Indemnity	Travelers	UCPOP3838662
Motor	Chartis Insurance UK	21005338
Personal Accident	ACE Europe	53UK453123
Travel	ACE Europe	53UK453123
Engineering	Allianz Cornhill	NZ/9796670