

Report of the Finance Manager

Subject: 2022/23 Insurance Renewal

The Authority's insurance premiums cost approximately £65k per annum for all its various insurance policies which includes £20,000,000 public liability, property and motor vehicle cover. All aspects of the Authority's insurance cover is managed by our brokers Marsh UK, who also act for the vast majority of Welsh Local Authorities. This includes managing the renewal process and due to the size of the contract the renewal process also requires publication of the tender opportunity in the Official Journal of the European Union (OJEU). This is usually undertaken on a tri annual basis. In arranging insurance for the 2015/16 to 2017/18 financial years, and after many years of trying to harmonise terminal policy dates, the three Welsh Parks were able to go out to the insurance market and undertake a joint tendering exercise. This exercise yielded significant savings in the total premiums for the three Parks.

Under more favourable insurance market conditions the three Authorities would now ordinarily be going out on a new tendering exercise for the period 2022/23 to 2024/25. However, because of the poor market sentiments pushing up premiums, the advice from Marsh UK has been to hold over on the existing policies and extend them for a further two years. Marsh's express advice regarding tendering is as follows "Our statistics show that prices have been rising for 15 consecutive quarters, however there does appear to be a slowing of those price rises. It would therefore be prudent to negotiate an extension with existing insurers and to see whether the slowdown in increases continues and then look to re-tender when the market conditions are more favourable and enter into a five year agreement at more favourable rates".

In the past under adverse market conditions the Authority has adopted a similar stance of extending policies. After careful consideration this arrangement has been agreed by the other two Welsh National Parks and the Authority is now requested to approve this strategy.

Recommendation

The Authority approves the extension of its current insurance arrangement for the financial years 2022/23 & 23/24