

Committee	UHI North, West and Hebrides Finance & General Purposes Committee
Subject	2024-25 Insurance Renewal
Action requested	<input type="checkbox"/> For information only X For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For endorsement X For approval
Summary of the paper	<p>The various insurance policies held by the college are all due for renewal from 1 August 2024.</p> <p>This paper highlights the key aspects of the proposed insurance policies for the college and any potential risks or areas that require consideration by the Board.</p> <p>Approval for renewal on the terms outlined in the Renewal Report is sought from the F&GP committee.</p>
Resource implications	Insurance policy premium is in excess of £100,000 pa for the college but increase in cost from 2023/24 is only 4%.
Risk implications	There is a risk that the merged college has inadequate insurance cover in terms of type of risk cover and values of amounts insured.
Date paper prepared	16/8/2024
Date of committee meeting	21/8/2024
Author	Derek Bond, Finance Director
Link with strategy Please highlight how the paper links to the Strategic Plan	Insurance policies are a key element of risk management for the college.
Island communities	The insurance policies have taken into account regional variations within policy requirements.
Status (e.g., confidential, non-confidential)	Non-Confidential
Freedom of information	Yes

Consultation How has consultation with partners been conducted?	Staff and executives within the college have been involved in providing information for the insurance policy renewals, and the renewal reports have been reviewed by the Principal, Head of Finance and Head of Infrastructure.
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UHI North, West & Hebrides

Insurance Renewal 2024/25

1. Background

The various insurance policies held by the college are all due for renewal from 1 August 2024. Our insurance brokers Gallagher have prepared a policy renewal report that outlines the basis of their annual review and recommendations for renewal policies. This report is attached.

This paper highlights the key aspects of the proposed insurance policies for the college and any potential risks or areas that require consideration by the Board.

Due to the timing of the renewal report and college committee meetings the policies have been renewed based on the recommendations of EPS subject to approval by F&GP on 21st August. If any changes to the policies are required following review by committee these can be advised to our brokers for amendments to be made.

2. Policy premium

On Page 6 of the broker's report they summarise the proposed cost of each insurance policy showing a comparison against the collective cost for 2023-24 and 2024-25. The total premium cost (inclusive of IPT, VAT and fees) is:

2024-25 *	£119,687	
2022-23	£115,116	
Increased cost	£4,571	(4.0%)

**Note that the Business Continuity Policy suggested by EPS has not been taken out*

The 4.0% cost increase mainly relates to organic increases in some of the policies with many renewal premiums being held in line with last year.

A storm claim was reported by the college in the last year relating to roof damage at Dornoch. The current reserve for this claim is £34,500. This has resulted in a Loss Ratio of 67% meaning that the college do not qualify for a Low Claims Rebate this year.

3. Key points to note on specific policies

Commercial Combined

We need to keep the insurers informed of any major property projects. This has been the case with the Stornoway campus development in 23/24 and will involve the Fort William window repairs and Stornoway roof repair in 24/25.

Equipment and computer policies are based on updated asset inventories.

Drones

We are now covering 5 drones which has caused a £1,440 increase in policy cost.

Equine

There is a policy in place that provides insurance cover for up to 18 horses stabled at Dale Farm. This policy covers up to £10,000 per horse for the perils of Fire, Aircraft, Explosion, Earthquake, Riot and Civil Commotion, Malicious Damage, Impact and Theft, but it does not cover injury or death from riding the horses.

Business Continuity Management

This product has not been taken on the basis that we have adequate provision through internal processes and internal audit reviews.

Uninsured Risks

The Board should note the areas of Uninsured Risk identified in the Renewal Report, in particular contract works for larger capital projects.

Derek Bond

Finance Director

16 August 2024