

PCC Decision Form

Subject matter	Name of Proposer (eg Chief Executive, Chief Constable, Director of Finance)	Date of Request	Previous related decisions
Increasing the Motor Insurance Policy Excess.	Director of Resources, Nigel Hillier.	25th March 2019.	None.

Private / Exemption - Yes / No If Yes Reason Why (eg Schedule 12A Local Government Act 1972, Freedom of Information Act 2000)	Urgent (If Yes, Why and by When?)
No.	Yes. A decision is required by Friday 29th March. The decision could not be sought sooner as all available, verified evidence and options were not available until 25th March 2019. Once a decision is made it will be communicated to Insurers in advance of the insurance policy renewal date of 1st April 2019.

Decision Requested

The Police and Crime Commissioner is asked to:
Agree to an increase in the motor insurance policy excess, from £50,000 to £100,000.

Executive Summary of Request

Supporting Report attached?

Yes

SYP's insurers are seeking to impose an increase in the motor policy excess from £50,000 to either £100,000 or £125,000.

The 'SYP/OPCC Joint Insurance Strategy' confirms that decisions related to changing insurance excess amounts are to be made by the PCC.

Insurers have specified that a deteriorating claim history (specifically the increasing costs being met by insurers to settle those claims) has prompted this action.

Advice has been sought from SYP's insurance broker and their Actuary.

The 3 options are:

1. Increase the motor insurance policy excess to £100,000,
2. Increase the motor insurance policy excess to £125,000,
3. Go to tender for a new motor insurance policy.

The recommended option for the PCC to take is:

Option 1 - Agree to an increase in the motor insurance policy excess, from £50,000 to £100,000.

Approval by proposer (SYP, PCC/OPCC, SMC, etc) and confirmation from relevant stakeholders for PCC consideration

Having received a detailed briefing from Dan Lennox jointly with the Chief Finance and Commissioning Officer it is clear that going out to tender would be unlikely to result in

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advantageous terms because of our recent claims history. We are thus left with no choice other than to increase our excess. The calculation provided by our brokers indicates that Option 1 should be the more cost effective. The additional revenue cost can be managed by the Force. As next year is the long-term renewal I have asked for the brokers to provide us with an assessment of future premium costs to build into the MTRS

Signed:



Date:

26 March 2019

Considerations	Evidence or information or advice gathered or discussion	How has all this evidence impacted on overall proposal?
Public and / or Partners	N/A	
Investor or Sharees	N/A	
Financial	Advice has been sought from SYP's insurance broker and their Actuary. They have provide the financial forecasts and a recommended option. This report has been discussed with Financial Accountant, Sheryl Hawley, Director of Resources, Nigel Hiller and Chief Finance and Commissioning Officer, Michael Clements.	
Legal	N/A	
HR	N/A	
Union's / Staff Assoc.	N/A	
Equality & Diversity (Public Sector Equality Duty)	N/A	
Risks / Opportunities	Please see option 3 in the main report, whilst this provides an opportunity it presents risks which are not recommended to take.	
Sustainability	N/A	
Other (specify)	N/A	

Views of PCC's Chief Finance & Commissioning Officer

I have been consulted about this proposal and support it following discussion with Nigel Hiller and Dan Lennox re. the short and medium term options for motor insurance. This renewal on these terms will bridge to the new, long term renewal of the policy from 2020.

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Signature:	Date: 28-3.19
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Views of PCC's Chief Executive & Solicitor

I have been consulted about this proposal and recommend approval on the basis of the CFO's comments, but think that SYP (if they have it already) ought to consider the pros and cons of bringing the handling of motor claims inhouse - if the increasing costs being met by insurers to settle those claims is ^{in any way} explained by solicitor and less adjuster costs that could be reduced through an inhouse model.

Signature:	Date: 28/3/19
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PCC's Decision and Rationale

Agreed as above.

Signature:	Date: 28-03-2019
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OPCC GATEKEEPER (Information Officer)

Decision Ref. No	PAB Minute No: (where applicable)	Date Proposer notified of Decision	Date Published