

TO: Policy and Resources Committee

FROM: Deputy Chief Executive Officer – Matthew Warren

PRESENTING OFFICER(S): Deputy Chief Executive Officer – Matthew Warren

Telephone: 07786 023436

Email: matthew.warren@cambsfire.gov.uk

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FIRE AND RESCUE SERVICE INSURANCE MUTUAL - UPDATE

1. Purpose

- 1.1 The purpose of this report is to provide Members with an update on the progress being made by the Fire and Rescue Service Insurance Mutual.

2. Recommendation

- 2.1 The Policy and Resources Committee is asked to note the contents of this report.

3. Update on Performance

- 3.1 At its meeting on 13 February 2014 the Authority agreed to participate in establishing a Fire and Rescue Authority (FRA) Insurance Pool that would commence on 1 November 2015. A reminder of the how the pool works is attached at Appendix 1.
- 3.2 Since commencement in 2015, the Mutual has performed in accordance with estimates given at feasibility stage. In the last financial year, to 31 October 2018, the Mutual made a surplus of £226k across all members. This surplus continues to be held by the Mutual with a view to offset future member contributions.
- 3.3 Membership of the Mutual has remained constant since 'go-live' and there is an on-going ambition to grow by attracting new members. Indeed on 1 April 2019 two new members, Buckinghamshire and East Sussex, will join the Mutual having successfully satisfied comprehensive due diligence processes.
- 3.4 The management of the Mutual was re-tendered late last year, with the current Mutual Manager being selected as the winning bidder. The contract will commence imminently with no material changes made to the service provision and will allow the Mutual to go out to re-tender for the protection programme (liability protection) and motor insurance over the coming months ready for our renewal in November 2019.

- 3.5 Members will be pleased to note that Equity Redstar (our motor insurers) is based in the UK and Builders Direct SA (other insurances) although based in Luxemburg with no UK subsidiary, in the context of Brexit, will still be able to trade in the UK under temporary permissions so there is no risk with our current protection arrangements.
- 3.6 As a consortium one of the guiding principles is that we, as a group of fire and rescue services, will seek to manage risk collectively and adopt best practice where it reduces such risks. The Mutual has recently introduced an incentive scheme for vehicles fitted with CCTV technology and 'dashcams'. The Service receives a rebate on its annual charge for those vehicles that have this technology fitted. In Cambridgeshire, we are seeking to introduce this technology across our entire fleet and will save approximately £30k per annum in doing so. The risk mitigation activity remains core to the success of the Mutual and the Board continues to monitor its effectiveness.

BIBLIOGRAPHY

Source Document	Location	Contact Officer
Agenda Item 12 of CPFA Meeting on 21 May 2015 and subsequent Minutes	Hinchingbrooke Cottage Brampton Road Huntingdon	Matthew Warren 01480 444619 matthew.warren@cambsfire.gov.uk

HOW THE MUTUAL WORKS

- Claims up to excess – individual Fire and Rescue Authority (no change to current process)
- Single claims between excess and £1 million (the Mutual)
- Single claims over £1 million (insurance)
- Cumulative claims (aggregate) up to £2 million (the Mutual)
- Cumulative claims over £2 million up to £5 million (insurance)