

To: POLICY AND RESOURCES (FINANCE) SUB-COMMITTEE	Subject: APPOINTMENT OF RISK MANAGEMENT AND INSURANCE ADVISER / BROKER
From: DIRECTOR OF FINANCE	
Date: 9 August 2005	Ref: JV/LA

1. Introduction

- 1.1 The Council's current arrangement for insurance advice ends on 30 September 2005. Three international companies, with offices in Glasgow, who would be capable of carrying out this function for the Council were approached in May 2005, asking if they would be interested in being considered for appointment as Adviser/Broker. The new arrangement is for the two-year period commencing on 1 October 2005, with an option to extend for a further two years. All three companies, AON Ltd., Marsh U.K. Ltd. and Willis indicated an interest and submitted written proposals in June.
- 1.2 The service to be provided by the Adviser/Broker is as follows:
- Collation of underwriting information and marketing and placement of insurance programme to take effect from 1 April 2006;
 - Assisting the Council in taking forward its insurance strategy and advising on current and future trends in the insurance market;
 - The ongoing development of a Risk Financing Strategy, including recommendations on appropriate levels of insurance and self-insurance and to advise on the Council's internal insurance fund;
 - Ongoing advice, including assisting and advising on new or changed classes of insurance and giving advice on "one-off" insurance.

2. Evaluation of Submissions

- 2.1 Each company was asked to attend an interview with senior finance officers on 22 June. Oral presentations were given by the three companies in which each put forward its proposals as to how it could assist the Council in planning its insurance strategy, presenting a tender for insurance renewals, and providing a Risk Management Strategy.
- 2.2 After consideration of the written proposals and oral presentations, based on the price and quality of the submissions, it was agreed that Aon Ltd. should be appointed to the post of Adviser / Broker at a fee of £2,500 for the insurance tender process and a flat charge of £5,000 per annum plus £100 per hour beyond 50 hours usage by the Council.

3. Recommendation

- 3.1 Members are asked to note the position.



Director of Finance