

PART 2 – CONFIDENTIAL FACTS AND ADVICE

DMFD236

Title: Provision of Insurance Services 2024-25

Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Information Governance team for advice.

This information is not for publication until the stated date, because:

The report contains commercially sensitive information that should not be released ahead of the completion of the purchase of Insurance Services.

Date at which Part 2 will cease to be confidential or when confidentiality should be reviewed:
1 August 2024

Legal adviser recommendation on the grounds for not publishing information at this time:

In the event the information contained in Part Two of this report and/or its appendix is the subject of a request for information under section 1 of the Freedom of Information Act 2000 (the "Act"), it is considered that access can be denied on the basis that such information constitutes exempt information under:

Section 43(2) of the Act on the basis that the information in this report includes information which is exempt information if its disclosure under this Act would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it).

Disclosure by the GLA would be likely to have a detrimental effect on the London Fire Commissioner's (LFC) position and related commercial interest regarding the expenditure incurred for the purposes of this report, impacting upon the LFC's ability to secure optimal value for money which is not in the public interest.

Public Interest Assessment

At present therefore, on balance, it is considered that the public interest is best served if the information is not disclosed at this point.

The Information Commissioner has recognised that a wide range of commercial information relating to ongoing procurement activity may be covered by this exemption. In this instance the information in Part Two of this report includes information in relation to future plans to procure insurance and the LFC's financial position in relation to those procurements. The exempt information would disclose the LFC's financial position in relation to the proposed procurement to potential bidders and would prejudice the operation of competitive tendering exercise for the new contract.

The recommended period for non- publication of Part Two of this report is not before the end of July 2024.

Legal Adviser - I make the above recommendations that this information should be considered confidential at this time.

Name: Stephen Fernandes-Owen

Date: 29 February 2024

Once this form is fully authorised, it should be circulated with Part 1.

Confidential decision and/or advice:

Part One of the report explains that the LFC seeks authority to commit revenue expenditure in order to enter into new insurance contracts for a period of up to five years from 1 July 2024 to 30 June 2029. Hence, this report requests that the Deputy Mayor for Fire and Resilience authorise the London Fire Commissioner (LFC) to commit revenue expenditure of up to a total estimated cost of £20,324,774.60 for annual premiums over the five-year period, plus inflation and other uplifts arising from the annual renewals process over the five-year period to 30 June 2029. The total estimated cost for 2024-25 (Year 1) is £4,064,954.92 which will be included in the estimated £20,324,774.60 expenditure for the five-year period.

The LFC's Finance and Procurement departments are working with the LFC's insurance broker to conduct the tender for insurance arrangements. As part of this process, the broker was asked to prepare estimates of the new insurance premiums for 2024 and to allow total estimated costs to be included in this report to secure approval for expenditure. The table below includes the costs for each insurance cover in 2022 and 2023, and then an estimate for the premium in 2024. The table includes a total estimated cost for insurance for Year 1 from 1 July 2024 at £4,064,954.92.

Table 1 – Cost of insurance cover in 2022, 20223 and estimate of premium for 2024

Policy	2022 Renewal Premium (£)	2023 Renewal Premium (£)	General Comments	Budget for 2024
Material Damage & Business Interruption	£187,705.32	£206,159.19		£247,391.03
Terrorism	£79,500.00	£104,800.00		
Fine Art	£4,592.25	£4,729.48		£5,438.90
Combined Liability including Officials Indemnity & Professional Indemnity	£1,464,000.00	£1,540,000.00		£1,771,000.00
Combined Liability Claims handling fee	£5,000.00	£5,000.00		£5,250.00
Excess Liability	£145,000.00	£13,458.08 £169,290.00	1 month extension 11 months cover	£249,999.37
Crime	£26,194.00	£30,763.00		£49,989.88
PA & Travel	£642.00	£642.00		£1,000.00
PA & Travel – MTFA Response	£18,850.00	£18,850.00		£20,735.00
Engineering Inspection	£7,124.08	£8,136.48		£9,153.54
Computers	£31,050.21	£40,739.29		£50,924.11
Airside Liability	£5,000.00	£5,250.00		£5,775.00
Drone Liability	£3,650.00	£2,575.00		£2,832.50
Marine	£26,922.23	£53,613.29		£61,655.28
Motor Fleet	£673,111.14	£848,638.00		£1,018,365.60
SUB-TOTAL	£2,678,341.23	£3,052,643.81		£3,625,270.21
Gallagher Fee	£3,500.00	£3,500.00		£247,391.03
Insurance Premium Tax (12%)	£319,946.06	£364,740.88		
VAT (20%)	£2,424.82	£2,627.30		£5,438.90
Grand Total	£3,004,212.10	£3,423,511.99		£4,064,954.92

Appendices

Appendix 1 – Part two of report LFC-24-017x – Provision of Insurance Services 2024/25