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**Committee** Policy, Finance and Strategy Committee  
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## Material Damage Insurance Premium 2003/04

### 1. Purpose

To authorise the payment of the Material Damage insurance premium for 2003/04.

### 2. Background

Last year the Council experienced sky-rocketing insurance premiums as a result of the hardening insurance market (Report 02.334). This year, insurance premiums have continued to increase, although not nearly as drastically as they did in 2002. The insurance industry has also continued to tighten policy wordings to restrict cover.

It appears that the market is now beginning to stabilise and the Council's insurance brokers (AON Risk Services) are hopeful that premiums and policy restrictions will settle in the next year or two.

### 3. Comment

The insurance premium for the Wellington Regional Council's Material Damage policy has increased (by 14%) from \$821,452.10 in 2002/03 to \$937,081.29 in 2003/04, excluding GST. No single officer of the Council is able to authorise payment of this amount. Payment must therefore be authorised by the Council.

### 4. Communications

This is a commercial matter and the Council's decision will be communicated to our insurance broker.

**5. Recommendation**

*That the Committee recommends to Council that it authorises payment of the Material Damages insurance premium for 2003/04.*

Report prepared by:

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