

9. INSURANCE OF NON COUNCIL OWNED PROPERTY

General Manager responsible:	General Manager Corporate Services, DDI 941-8540
Officer responsible:	Corporate Finance Manager
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PURPOSE OF REPORT

1. The purpose of this report is to inform the Audit and Risk Management Subcommittee of a change to the current policy of placing insurance cover for property owned by various community organisations.

EXECUTIVE SUMMARY

2. Under the current policy the Council organises insurance cover for several (mainly community) organisations at the same time as the Council's own policies are renewed. With one exception, these organisations lease Council premises and the additional cover has been taken as part of the service. A list of the organisations concerned is attached as Schedule 1. The organisations are then invoiced by the Council in order to recover the premiums.
3. The concern is that there has been no follow up to ensure that the cover is adequate or even that the risk still exists. In one instance when there was damage to a property the cover provided was inadequate and the council was held to blame. The view of the Council officers is this is not Council's business and would be better handled by those closer to the facts.
4. It is intended that as from 30 June 2007 this service will no longer be provided and the letter attached as Schedule 2 will be sent this month advising the parties that in future they are responsible for organising their own cover.
5. The Council will continue to insure the premises that are leased by these organisations as part of its risk management processes.

FINANCIAL AND LEGAL CONSIDERATIONS

6. There are no financial or legal implications.

STAFF RECOMMENDATION

It is recommended that the report be received.