

Report to: Executive Board - Monday 22nd July 2002

Tenants Home Contents Insurance Scheme

<p>Report of: <i>Housing Management Business Unit / Financial Management</i></p> <p>Report Author: <i>Amanda Pitman Rent Management Officer Tel no. 01865 252520 E-mail: apitman@oxford.gov.uk</i></p> <p>Lead Member Responsible: <i>Cllr Val Smith</i></p> <p>Overview and Scrutiny Committee Responsibility: <i>Housing Scrutiny Committee</i></p> <p>Key Decision: <i>Yes</i></p>	<p>WARDS AFFECTED:</p> <p><i>All</i></p>
<p>SUMMARY AND RECOMMENDATIONS</p> <p>This report asks the Executive Board to accept the proposal from Aon Ltd for the administration of the Tenants Home Contents Insurance Scheme.</p>	

1. Background

In November 1999, we offered to our tenants a Home Contents Insurance Scheme, this was part of the Council's commitment to tackling poverty and financial exclusion, and allowed premiums to be paid weekly. At present, approximately 6% of our tenants are on the scheme. This contract is now up for renewal (31 October 2002).

2. New Regulations

Insurance companies operate under the scrutiny of the General Insurance Standards Council (GISC). At present, the GISC are reviewing the way in which insurance companies, agents and Introducers operate. As we, Oxford City Council, collect insurance premiums, we would be classed as agents and therefore would be subject to GISC audits. Premiums are collected via tenants rent accounts and it is not possible to distinguish between rent and insurance premium payments, this would be unacceptable to GISC auditors.

If the insurance premiums are collected by a third party (the Insurance Brokers agent), we would be classed as an Introducer and would not be subject to any Audits from the GISC.

3. Criteria

We contacted many Insurance Companies and Brokers, and asked them to provide us with Premium figures and details of their Policy cover. We specified the following criteria:

The Insurance premiums be collected by the Insurance Company or their agent (not by Oxford City Council);

To allow customers to pay at least fortnightly at Post Offices;

For the scheme to be open to council tenants, leaseholders, people in temporary accommodation waiting to be permanently housed and tenants of other Social landlords.

4. Recommendations

We received two proposals for the administration of the scheme from Aon Ltd and Farr plc.

Aon's premiums were on average 23% cheaper than Farr plc and they allowed payments to be made weekly.

Aon's policy cover was slightly better than that of Farr and no excesses are charged.

It is recommended that we accept the proposal from Aon Ltd for administering the Tenants Home Contents Insurance scheme and enter into a five year contract, to aid in the promotion of the scheme.

Aon Ltd are the company that we have used since November 1999. They are the second largest risk management and insurance broking organisation in the world. Their present insurer for the scheme is Royal and Sun Alliance.

5. Consultation

OFTA have been consulted on these issues 24th April 2002 and again 26th June 2002.

<p>THIS REPORT HAS BEEN SEEN AND APPROVED BY: HEAD OF HOUSING MANAGEMENT/HOUSING ACCOUNTANT / HOUSING PORTFOLIO HOLDER</p>

Background papers: None