

	Andover Town Council It is recommended that Full Council approves the 2026/27 insurance renewal with: <ol style="list-style-type: none"> 1. Aviva – Commercial Combined Insurance (with three-year rate stability agreement) 2. Aviva – Group Personal Accident Insurance 3. Coalition – Cyber Insurance Package Total premium for 2026/27: £6,684.55	Item No. 12
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To: Full Council	From: Town Clerk / RFO	Date of Report: 11 March 2026
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Overview
 The Council's insurance policies are due for renewal on 1 April 2026. The renewal quotes have been provided by our broker, James Hallam, and cover the following three areas:

1. Commercial Combined Insurance (Aviva)
2. Group Personal Accident Insurance (Aviva)
3. Cyber Insurance Package (Coalition)

2 Total Cost Summary

Policy Type	2025/26 (End of Year)	2026/27 Renewal	Change
Commercial Combined	£4,862.80	£5,455.52	+£592.72
Group Personal Accident	£496.48	£483.99	-£12.49
Cyber Package	£639.04	£745.04	+£105.99
Total	£5,998.32	£6,684.55	+£686.23 (11.4%)

What Each Policy Covers (Simple Overview)

1. Commercial Combined (Core Business Cover)

- Buildings, contents, equipment, regalia, Christmas lights
- Business interruption
- Money handling and assault
- Employers' Liability (£10m)
- Public & Products Liability (£10m)
- Fidelity Guarantee (£1m)
- Management Liability

Changes this year: higher wage roll, turnover, and increased Fidelity Guarantee limit

2. Group Personal Accident

- Financial support following accidental injury to staff/councillors
- Death or permanent disablement benefits
- Weekly payments for temporary disablement

Covers 16 persons (up from 15)

3. Cyber Insurance

- Data breaches and security failures
- Cyber extortion and ransomware
- Business interruption due to cyber events
- Fraud (including deepfake-enabled fraud and impersonation)
- Crisis communications and legal support

Key Reasons for Premium Changes

- Increases in insured values (wage roll, turnover, asset protection)
- National rise in cyber-risk exposure
- General insurance market inflation (“hard market”)

5. Benefits of the Three-Year Rate Stability Agreement
 Aviva has offered a three-year Rate Stability Agreement for the Commercial Combined policy. Key benefits include:

5.1 Budget Certainty

- Premium rates are fixed for three years (subject to limited exceptions such as major legislative changes).
- Annual increases capped at +5% each year under the “Premium Escalator”.

5.2 Protection Against Market Volatility

- The commercial insurance market remains in a “hard market”, with rising premiums sector-wide.
- The agreement shields the Council from further unpredictable increases.

5.3 Supports Medium-Term Financial Planning

- Clear and stable costs over three financial years.
- Helps with forecasting for the Council's budget and precept planning.

5.4 Continuity of Cover

- Aviva retains full responsibility for claims, support, risk advice, and legal helplines throughout the period.
- Reduces administrative time and avoids the need to tender again annually.

5.5 Conditions to Note

The agreement may be amended if:

- The Council's loss ratio exceeds 50%.
- There are substantial structural or operational changes in the Council.
- Major legal or market-wide risks change.

These are standard conditions for contracts of this type.

7. Options for Full Council

Option 1 — Approve the Renewal (Recommended)

Approve the full insurance renewal package for 2026/27 and enter into the three-year rate stability agreement with Aviva for the Commercial Combined policy.

Option 2 — Approve a One-Year Renewal Only

Proceed with annual renewal only and review again in 2027 (may expose the Council to higher year-on-year cost increases).

Option 3 — Tender to Market

Not recommended at this time:

- The broker has confirmed that existing insurers remain competitive.
- Tendering is resource-intensive and may not deliver lower premiums in a hard market.

8. Recommendation

That Full Council **approves** the 2026/27 insurance renewal with:

1. Aviva – Commercial Combined Insurance (with three-year rate stability agreement)
2. Aviva – Group Personal Accident Insurance
3. Coalition – Cyber Insurance Package

Total premium for 2026/27: £6,684.55