

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY THE DEPUTY OF ST. MARY
ANSWER TO BE TABLED ON TUESDAY 25th MAY 2010**

Question

“Given the Minister’s assurances that he is fully aware of ‘where the money goes’ can he advise members the insurance bill for each Department of the States?”

Can he further inform members how much of that insurance bill relates to liability insurance payments covering each Department’s duties and responsibilities towards the public and possible failures or damages caused in carrying out such duties?”

Answer

The main States’ insurance programme is managed centrally by the Treasury to enable the States to achieve economies of scale within the insurance market. A summary of the type of insurance cover purchased and the Departmental allocations is detailed below:

States Insurance Programme

	2009	2010 to 17 May
	£	£
Premiums:		
Property	279,474	291,210
Motor	85,320	90,540
Liability	1,023,994	985,840
Excess Liability	312,000	312,000
Personal Accident & Travel	135,219	129,635
Engineering Inspections	282,833	290,215
Miscellaneous Marine	6,000	6,000
	<u>2,124,840</u>	<u>2,105,440</u>
Services:		
Claim Management Fee	32,500	34,250
Insurance Service Fee	105,000	105,000
	<u>137,500</u>	<u>139,250</u>
Self Insurance:		
Self Insurance	1,656,957	1,561,615
	<u>1,656,957</u>	<u>1,561,615</u>
Total Insurance Costs¹	<u>3,919,297</u>	<u>3,806,305</u>

The self insurance allocations detailed above are held within the Consolidated Fund to meet the costs of self-insurance claims. A report and Proposition regarding the States self insurance arrangements will be presented to the States in the second half of the year.

<u>Departments Insurance</u>	2009	2010 to 17 May
	£	£
Corporate States Insurance (Treasury)	2,488,927	2,369,581
Bailiff's Chamber	9	9
Chief Minister's	6,501	6,664
Data Protection	19	20
Economic Development ²	173,663	178,930
Employment & Social Security	28,626	29,342
Education, Sport & Culture	292,285	299,593
Health & Social Services	189,286	194,018
Home Affairs	97,440	99,876
Housing	346,494	355,156
Judicial Greffe	225	231
Law Officers'	83	85
Office of the Lieutenant Governor	532	545
Official Analyst	233	238
Planning & Environment	35,186	36,066
Probation	1,232	1,263
States Assembly	1,523	1,561
Transport & Technical Services	181,582	186,122
Treasury & Resources	74,340	45,868
Viscounts	1,110	1,138
Total Insurance Costs¹	<u>3,919,297</u>	<u>3,806,305</u>

Notes

1. 'Total Insurance Costs' do not include £30k HSBC Risk Management Fee

2. Includes Airport and Harbours.

In addition to the insurance expenditure detailed above, Departments may chose to purchase additional specific insurance to provide cover for their particular risk exposures. These include:

Education, Sport & Culture	-	Pupil Travel Policy, Work Experience Contingent Liability
Airport	-	Airside Insurance and Contractors Airside Excess Infill
Health & Social Services	-	Consultants Insurance - Medical Defence Union
Home Affairs	-	Police Authority Legal Expenses
Harbours	-	Public Liability Excess Layer
Treasury & Resources	-	JPH Rock Stabilisation Insurance

I wish to add a comment on "where the money goes". As Treasury Minister I want to be held accountable to ensure there is an environment where Accounting Officers can assure members they have an appropriate control structure in place to control public money. I have set out a policy programme to significantly strengthen financial management across the States. This is designed to ensure that all departments improve their financial management and controls. The Treasury restructuring plan has been worked on by the Interim Treasurer of the States since his appointment earlier this year. The Interim Treasurer is now well under way with the new departmental structure taking effect from 1 June at a senior level with the rest of the organisation being strengthened over the coming months.

I would envisage that by the end of the year I will be able to report a significant improvement in the financial management across the organ