

Insurance Renewal

Date of meeting 28 November 2025

Date of report 22 October 2025

Report by Director of Finance & Corporate Support

1. Object of report

To update the Committee on the renewal of SPT's insurance policies and note the award of corresponding contracts.

2. Background to report

SPT is required to hold insurance by law to ensure compliance with contractual obligations and to mitigate risk. SPT has been supported by Marsh, its insurance brokers, through the renewal process. Further details on the renewal exercise are contained within section 3 below.

Members are reminded that the Partnership previously agreed the placing of insurance and acceptance of policies is delegated to officers to ensure that appropriate cover is in place at the appropriate time, with the result reported to Committee. Policy renewal date for all cover was 15 May 2025, except for Cyber Insurance, which is a new policy.

3. Overview of Insurances

Property Damage, Business Interruption and Terrorism Insurance: £135m

The property damage policy provides cover for SPT's main physical assets including all buildings, plant & machinery, tunnels and rolling stock and in addition provides a level of cover for business interruption.

The policy was renewed under Long Term Agreement (LTA) with the incumbent QBE as lead (50%) with AIG (25%) and Generali (25%) providing follow on cover. The renewal price was £451,792, which is an increase of £24,354 on the previous premium. Under the policy SPT will also benefit from a no claims rebate in addition to a contribution towards insurance valuations.

Combined Liabilities: £25m (Employee Liability) and £20m (Public and Product Liability)

The combined liabilities policy provides cover for Employee Liability and Public and Product Liability. The policy ensures that SPT has the required statutory insurance cover for employees, cover for the traveling public that use our services, and for third parties in general.

This policy was entering the second year of a two-year LTA with Liberty Mutual, which included an automatic 3% uplift over and above any movement for other renewal factors. An option was put forward to reduce the underlying rate by 5% by signing up to a new LTA, which was accepted. The renewal price was £193,731 which is a decrease of £5,618 on the previous premium.

Public / Product Liability 1st Excess Layer: £30m over £20m

The public / product liability excess layer policy increases SPT's insurance cover for public / product liability by £30 million to a total of £50 million.

Marsh approached the market directly for this policy as it followed the terms of the combined liability policy. The policy was renewed with the incumbent Aspen (50%)/ RSA (50%) via RMP. The renewal price was £49,952, which is the same as the as the previous premium.

Public / Product Liability 2nd Excess Layer: £50m over £50m and Employers Liability Excess Layer: £25m over £25m

The public / product liability excess layer policy increases SPT's insurance cover for public / product liability by £50 million to a total of £100 million. The employer's liability excess layer policy increases SPT's insurance cover for employers' liability by £25 million to a total of £50 million.

Marsh approached the market directly for this policy as it follows the terms of the combined liability policy. The policy was renewed with the incumbent AIG. The renewal price was £46,116, which is the same as the as the previous premium.

Public / Product Liability 3rd Excess Layer: £55m over £100m

The public / product liability excess layer policy increases SPT's insurance cover for public / product liability by £55 million to a total of £155 million.

Marsh approached the market directly for this policy as it follows the terms of the combined liability policy. The policy was renewed with Generali (50%) who became the lead insurer, but with AXA XL providing 50% of the cover as well. The renewal price was £26,116, which is an increase of £916 on the previous premium.

Directors & Officers Liability Indemnity: £5m

The Directors and Officers policy provides personal cover to directors and officers of SPT should they be subject to claims from a third party that arise through the fulfilment of their duties.

The policy was renewed with the incumbent provider RSA. The renewal price was £22,753, which is an increase of £353 on the previous premium.

Professional Indemnity: £5m

The professional indemnity insurance provides protection for liabilities arising through the alleged provision of inadequate advice or services to one of SPT's customers.

The policy is under an LTA with QBE via RMP and was renewed under expiring terms. The renewal price was £11,120, which is an increase of £428 on the previous premium.

Crime: £5m

The crime policy covers SPT against wrongful acts committed by employees and fraudulent acts committed by any other person.

The policy is under an LTA with QBE via RMP and was renewed under expiring terms. The renewal price was £7,944, which is an increase of £259 on the previous premium.

Motor: Various Limits

The Motor policy covers all SPT's fleet vehicles, and in addition provides cover for any buses that SPT have in storage and can also provide cover for SPT employees driving SPT buses if required (not for a fee-paying service).

The policy is under an LTA with QBE via RMP and was renewed under expiring terms. The renewal price was £20,187, which is a decrease of £1,897 on the previous premium.

Personal Accident / Travel: Various Limits

The Personal Accident / Travel policy primarily provides insurance cover for SPT's employees whilst they are traveling on SPT business.

The current policy is under LTA with AIG who agreed to the renewal under expiring terms. The renewal price was £2,401 which is an increase of £54 on the previous premium.

Computer: £1.3M

The Computer policy covers primarily for loss, damage, or breakdown to computer equipment. In addition, cover is provided for virus and hacking incidents, denial of service and increased expenditure incurred in specific situations.

Marsh entered negotiations with the incumbent insurer, RSA, and secured placement. The renewal price was £3,267, which is the same as the as the previous premium.

Engineering

The engineering policy ensures that SPT's plant, machinery and equipment are inspected on a regular basis.

The current policy is under LTA with HSB via RMP who agreed to the renewal under expiring terms. The renewal price was £28,409 which is an increase of £488 on the previous premium.

Cyber: £3M

The Cyber policy primarily provides cover in relation to responding to a cyber event. The cover provided is wide ranging and includes, but not limited to, incident response, extortion, business interruption, legal and regulatory and privacy breach management.

The current policy has been awarded to CFC for a period of approximately 8 months to bring renewal in line with SPT's other policies. The renewal price was £14,378.

Brokerage

Marsh provides brokerage, risk management, general advice, and claims handling services to SPT.

The renewal price for Marsh's services was £8,190 which is an increase of £464 on the previous year.

Summary

The table below summarises the current policies costs compared to the previous year. On a global level SPT's insurance costs have increased by £34,177 to £886,355. The increased costs can be contained within the 2025/26 approved budget for insurance.

Policy	2024/25 (£)	2025/26 (£)	Variance (£)
Property Damage & Business Interruption (inc Terrorism)	427,438	451,792	-24,354
Combined Liability	199,349	193,731	5,618
Professional Indemnity	10,693	11,120	-428
Fidelity Guarantee (Crime)	7,685	7,944	-259
Motor Fleet	22,084	20,187	1,897
Personal Accident / Travel	2,348	2,401	-54
Computer	3,267	3,267	0
Engineering Inspection	27,921	28,409	-488
Excess Public Liability, 1st Layer	49,952	49,952	0
Excess Public Liability, 2nd Layer (£50m over £50m) + Excess Employee Liability	46,116	46,116	0
Excess Public Liability, 3rd Layer (£55m over £100m)	25,200	26,116	-916
Directors & Officers	22,400	22,753	-353
Cyber	0	14,378	-14,378
Marsh Fee	7,726	8,190	-464
Total	852,178	886,355	-34,177

4. Committee action

The committee is recommended to note the award of the insurance policies under delegated powers.

5. Consequences

Policy consequences	<i>None.</i>
Legal consequences	<i>SPT has a legal obligation to hold some of the insurance policies detailed in the report.</i>
Financial consequences	<i>The annual cost of insurance can be contained within the 2025/26 approved revenue budget.</i>
Personnel consequences	<i>None.</i>
Equalities consequences	<i>None.</i>
Risk consequences	<i>Having adequate insurance cover in place mitigates risk for SPT.</i>

Climate Change, Adaptation & Carbon consequences *None.*

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