




3. QUALITY QUESTIONS

1. Please describe how you will assist the Company in managing its obligations under the various insurance policies.






Answer:

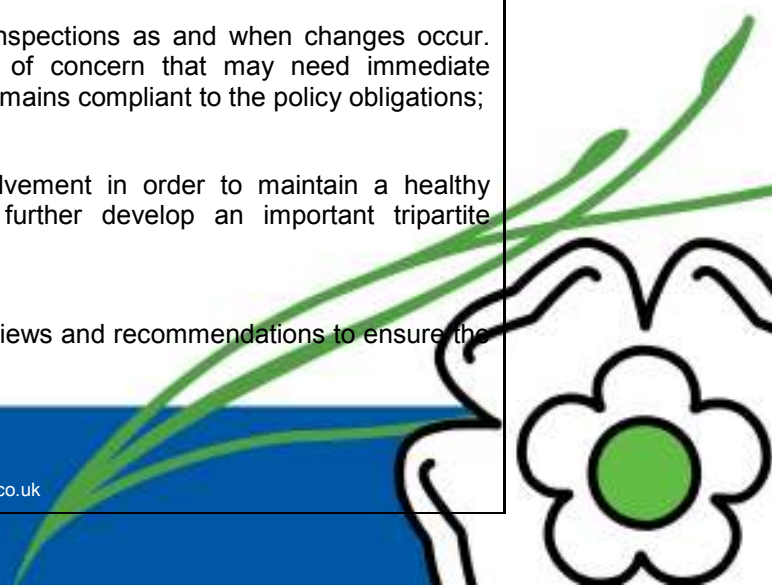
Over the course of the last 4 years, the insurance programme for Yorwaste has evolved in line with the changes to the business. In managing your obligations under the various insurance policies and to ensure the business remains compliant, we have, and will continue to:








-  Carry out regular open market policy comparison audits in order to achieve the best / most suitable policy wording / warranties;
-  Actively work with the insurance market and evaluate new initiatives / products that may be of benefit to Yorwaste;
-  Pre-renewal (PRISM process – detailed in Q2) examination of existing policy wording / warranties to ensure they remain fit for purpose and are in line with any business changes that may occur.

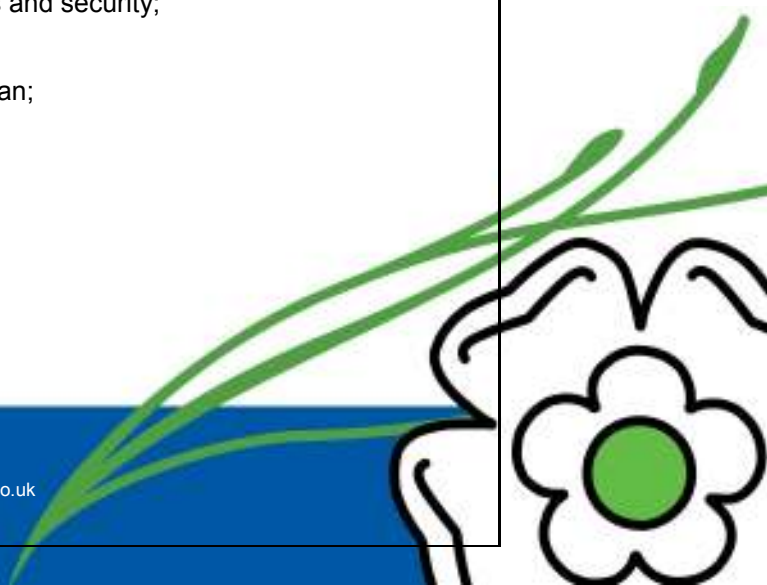
Throughout the policy year, it is important we maintain constant a dialogue to ensure the **business remains compliant with all policy obligations.**

In line with the new Insurance Act 2015 and governed by our duty of fair representation (*highlighted in our interview discussion document*) we will:

-  Provide Yorwaste with a risk and insurance register post renewal. This highlights all covers purchased, cover extensions and up to date asset and financial values. As changes occur throughout the policy, the register is update accordingly;
-  Provide Yorwaste with a separate condition precedent document highlighting the warranties split per policy;
-  Carry out Henderson site surveys / site inspections as and when changes occur. This enables us to highlight any areas of concern that may need immediate attention. This ensures that the business remains compliant to the policy obligations;
-  Encourage insurer participation and involvement in order to maintain a healthy understanding of the business and to further develop an important tripartite relationship;
-  Constantly challenge insurers / surveyors views and recommendations to ensure the policy is bespoke for your activities.



	<p>Issuing a separate bespoke condition precedent document will focus your approach to managing risk. This allows each location to carry out daily / weekly visual inspections and where necessary make adjustments to working practices.</p> <p>Awareness of your policy obligations should reach all levels within the business.</p> <p>Challenging Insurer Thinking</p> <p>Each risk is bespoke. Whilst some warranties are pre-existing, many are negotiable. Any warranty that cannot be adhered to will be challenged and wherever possible, a workable solution must be found.</p> <p>With the planned changes to the business, pre-renewal and beyond, we will work on a tripartite approach with insurers to ensure all warranties and conditions are bespoke per location.</p> <p><i>Scored – 10% weighting</i></p>
2.	<p>Please detail what you think are potential areas for improvements after reviewing our current insurance register.</p> <p>Answer:</p> <p>Your insurance programme is continually under review throughout the policy year.</p> <p>A pre-requisite of the renewal strategy and to ensure we remain compliant under FCA ruling, we carry out process called PRISM; Pre Renewal Internal Strategy Meeting.</p> <p>The PRISM reviews examines:</p> <ul style="list-style-type: none">  Client relationship and knowledge test;  Review of the last 12 months trading;  Current insurance market trading conditions and security;  Potential areas of risk improvement/s;  Renewal approach and 12 month service plan;  Client expectations;  Additional Services.



Whilst we have already highlighted potential areas for improvement in previous discussions, for the purpose of this review, we revisit:

Policy Deductible: Your tolerance to risk

Market conditions have in the past dictated policy deductibles. Your existing deductible on property and business interruption is £150,000. This attracts an insurer rating of 1.3%.

Previous negotiations in 2014 highlighted the following renewal options:

Policy Deductible	Insurer Rating
£50,000	1.75%
£250,000 (Yorwaste policy deductible from 2014 to 2016)	1.4%
£500,000	1.25%

It is important to note that at last renewal (2016), the policy deductible and insure rating was re-negotiated from £250,000 (1.4%) to £150,000 (1.3%).

In addition to this, we also secured a 2 year rate fixing agreement **along with a low claims rebate which, subject to no claims will result in a return premium of circa £21,000.**

Flexible Limit of Loss Options

We have previously looked at capping the insurers maximum loss exposure by working on a maximum loss **any one location** basis. For example:

Description	Sum Insured
100% maximum loss across all sites	£10,000,000
Main location maximum loss	£5,000,000
Maximum payment in the policy year (flexible loss)	£5,000,000



This 'capping' allows the business to suffer a loss up to a maximum of £5,000,000 in any one policy year. Equally, the premium you pay is based on a lower maximum loss limit - £5,000,000 rather than a full £10,000,000.

We have in past renewal considered this option however, the business took the decision to continue on a full value basis.

Business Interruption: Financial Coverage Options.

Under the current arrangement, business interruption is capped per location. The existing arrangement works on the following basis:

Description	ICOW*	AICOW**
Seamer Carr	£400,000	£100,000
Harewood Whin	£400,000	£100,000
Tancred	£400,000	£100,000

*ICOW: Increase Cost of Working

**ACIOW: Additional increase Cost of Working





These numbers have remained static since renewal 2014, and whilst the market then dictated what was available, in light of the proposed changes to the business, **we recommend a full business interruption audit pre-renewal 2017.**

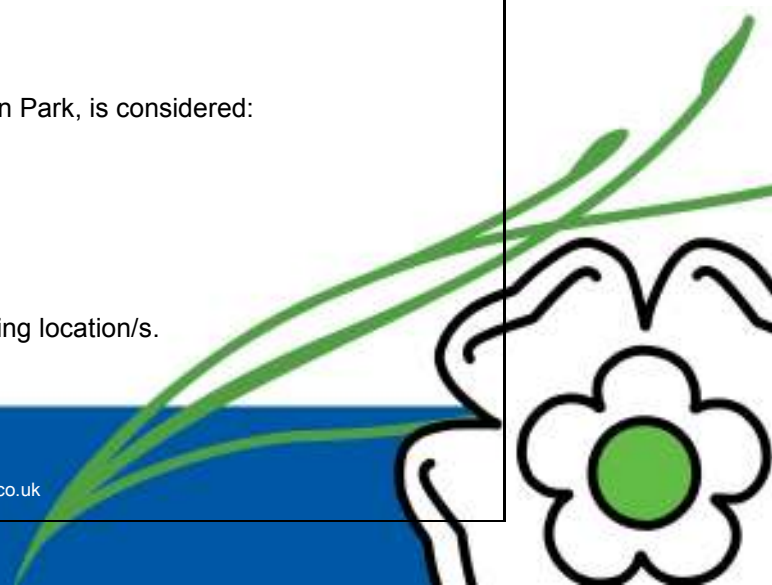
Structural Changes to the Property Policy

The existing arrangement groups the vast majority of the property portfolio under the one policy; we insure Northallerton under a traditional office policy.

Whilst this arrangement works well and delivers an acceptable rate from the insurance market, we must take into consideration the developments at Harewood Whin and the business as a whole.

The new transfer station, which will feed Allerton Park, is considered:

-  Purpose built for it's activities;
-  Built with modern construction materials;
-  Designed with full fire suppression;
-  Adequate fire separate away from the existing location/s.



With this mind, we will seek to underwrite this building separately, with insurers that cater for new purpose built recycling risks; alternatively, push for a rate reduction with existing markets.

Financial Incentives and Benefits

Long term agreements, fixed rate arrangements and year-end rebates are in place for the main classes of cover. Subject to loss ratios and confirmation of renewal, the business is set to achieve a substantial rebate at renewal 2017.

At the time of writing the report, **the total rebates due are in the region of £41,000.**

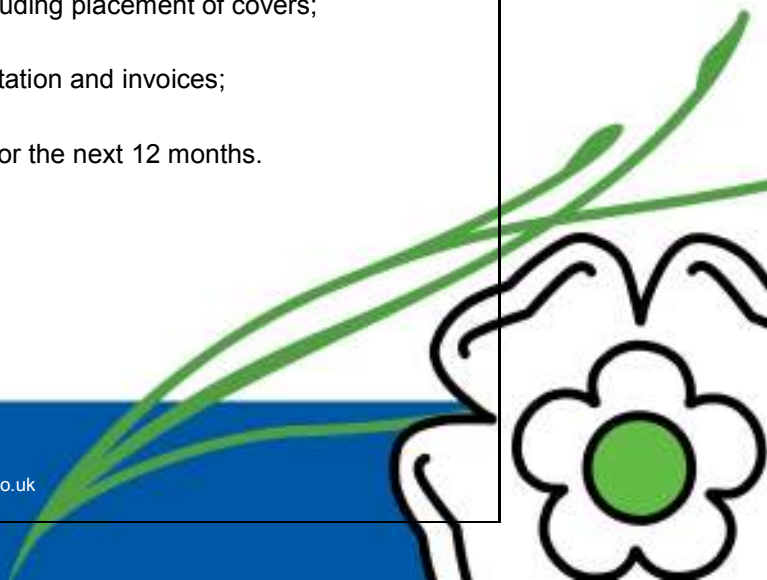
In addition to this, whilst we have spoken about this before, we will also approach insurers for risk management funding, with particular focus on the Motor Fleet policy.




General Policy Observations

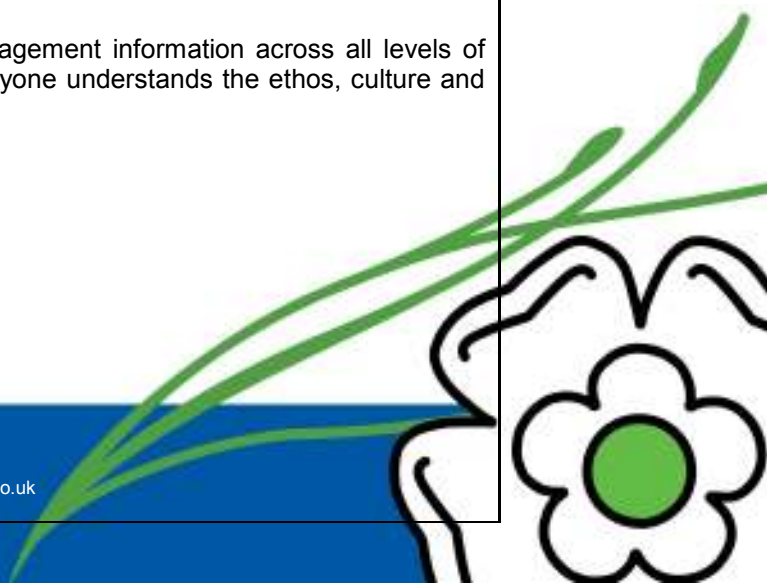
At present, the insurance programme is fit for purpose. Whilst additional covers have been discussed in the past, we would ideally like to spend time with Yorwaste to review all covers, existing and new, to ensure the programme we design remains bespoke to you.

Key Objectives:

- 📋 Development a renewal strategy that incorporates a review of the insurance programme, including the options highlighted above;
- 📋 Discuss the changes to the business to ensure full cover is in place;
- 📋 Carry out a business interruption review;
- 📋 Confirmed renewal rebate and risk management funding (if available);
- 📋 Deliver renewal on pre-agreed deadline including placement of covers;
- 📋 Issue of insurance register, policy documentation and invoices;
- 📋 Agree a minimum service level agreement for the next 12 months.










	<p><i>Scored – 10% weighting</i></p>
3.	<p>Please explain how you will analyse claims data to make recommendations to the Company.</p> <p>Answer:</p> <p>Henderson prides itself on providing focused management information and claims updates, which are both bespoke and analytical. Report frequency, style and data structure are agreed and tailored to the specific needs of each client.</p> <p>The importance of analysing past / historic claims to help improve future performance is vital to aiding you with your future risk management strategy. It also plays a crucial role in renewal negotiations.</p> <p>By completing a detailed analysis of the claims data, we can identify trends such as:</p> <ul style="list-style-type: none">  Common causes of claims;  Areas of the business that are generating claims;  Reasons why liability is not being upheld. <p>It is essential when considering management information that the measurements being used are comparable and on a like for like basis.</p> <p>Wherever appropriate, we will provide management information that includes relevant ratio factors per site i.e. number of claims per site against the number of vehicles / employees per site.</p> <p>Whilst identifying trends is a useful tool, what we do with this information is key to improving performance. Having the technical expertise to provide advice on preventing incident reoccurrence, with a view to improving the claims experience will be essential to reducing the overall accident frequency.</p> <p>Similarly, the sharing of analytical claims management information across all levels of the business is pivotal. It is important that everyone understands the ethos, culture and approach of the business.</p>








How we view the next 12 months and beyond

The claims management information we will provide over the coming 12 months and beyond will cover:

-  Performance by year;
-  Loss development rates;
-  Analysis per site and job role;
-  Analysis by type of claim and cause;
-  Analysis by circumstance;
-  Analysis by illness or injury;
-  Analysis by driver age or vehicle.

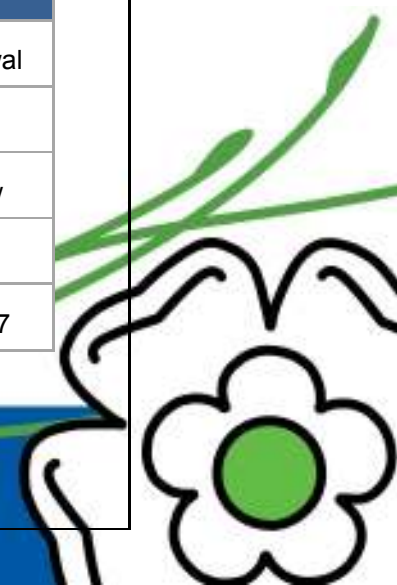
Our management information reports are constantly under review and can be easily changed to suit the changing needs of the business. The key objectives for Yorwaste over the coming years are to:

-  Reduce all injury frequency rate year on year;
-  Reduce lost time injury rate to zero by 2019;
-  Reduce RIDDOR reportable injuries to zero by 2019;
-  ZERO HSE enforcement notices;
-  Achieve top quartile in all areas of Health & Safety.

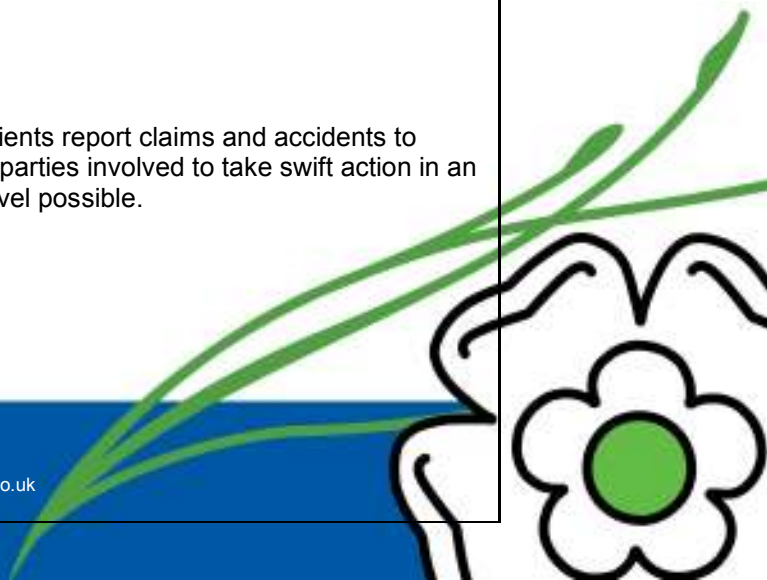
Our aim is to design a framework that fits around your key objectives and can be measured against the analytical claims information we provide, your safe working practices and your approach to risk and employee welfare. We therefore envisage further discussion with you.

In line with your key objectives, we must then deliver a schedule of briefing sessions and round table discussions. We propose:

Briefing	Timeline
Claims defensibility audit	Pre / post renewal
Claim performance review to date	Quarterly
Claims performance review to date (Board Presentation)	Half Year review
Attendance at Health and Safety review meetings	To be agreed
Client seminar awareness briefings	Throughout 2017



	<p>To further support your key objectives and t</p> <p>he above schedule, we will encourage insurer participate at the above meetings as and when required.</p> <p>Key insurer participation will include, property, liability and motor fleet.</p> <p>We envisage further discussion with you.</p> <p><i>Scored – 5% weighting</i></p>
4.	<p>Please describe how you will manage the following claims:</p> <ul style="list-style-type: none"> a. Motor b. Employers liability c. Public liability d. Property e. Major loss <p>Answer:</p> <p>Claims and Loss Management are an essential and integral part of our service. We view claims as a vital area where we can add real value and support.</p> <p>We will look to act as your dedicated claims adviser and have heavily invested skilled personnel from a broad range of industry. Unlike many other insurance brokers, each office has its own claims function.</p> <p>The claims team for Yorwaste are all based at the Leeds Head Office. This allows for swift and accurate information sharing between the entire service team and also ensures that the team are available to Yorwaste at short notice.</p> <p>Claims Notification</p> <p>More so than ever before, it is imperative that clients report claims and accidents to insurers as soon as possible. This will allow all parties involved to take swift action in an effort to mitigate the claims cost to the lowest level possible.</p>



Motor Claims Support





Controlled by your Henderson claims team, Yorwaste also utilise the services of the Incident Support Group (ISG) to assist in the reporting process for claims under the motor fleet policy.

Using ISG's services allows for speedy notification of claims, management of the repair process, and also enables immediate third party intervention in the event of a fault accident. Key fobs are provided to each of the drivers that detail the action to be taken in the event of an accident. This includes the direct contact details of ISG.

The recent fleet risk management survey undertaken highlighted that drivers and management understand that prompt and accurate reporting of incidents is crucial to mitigating claims cost.

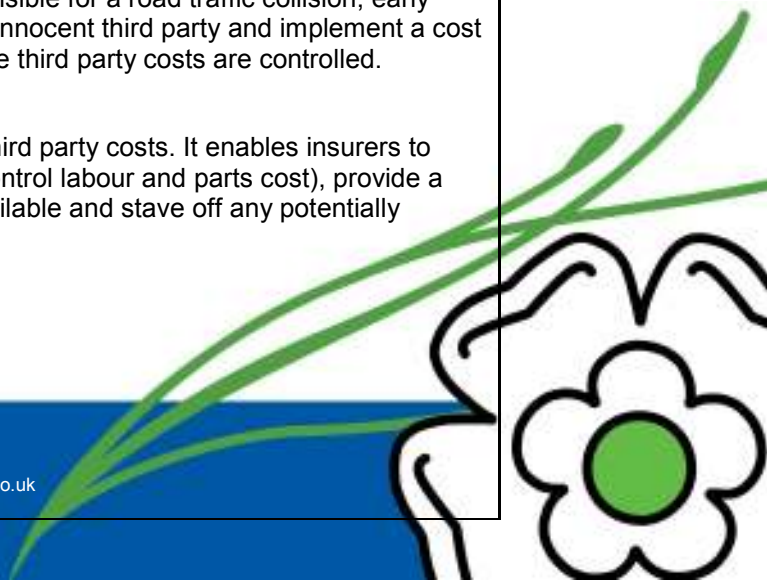
Whilst the claims reporting function is scoring well, further improvements can be made. Raising awareness about the important of early intervention and incident reporting is a challenge to any business.

Working alongside your management team we propose:

-  Provide management information to raise awareness. This will highlight the hours / days / weeks taken to report incidents, providing a platform for improvement;
-  Henderson / ISG to present a refresher briefing at the next Health & Safety / Fleet Review meeting;
-  Provide quarterly / half year reviews, highlighting improvements made to the existing reporting procedures;
-  Instigate a claims defensibility awareness briefing to support and improve upon your internal procedures.

In instances where a Yorwaste vehicle is responsible for a road traffic collision, early notification allows ISG to make contact with an innocent third party and implement a cost mitigation process (third party capture) to ensure third party costs are controlled.

Third party intervention is crucial in managing third party costs. It enables insurers to manage the repairs to the third party vehicle (control labour and parts cost), provide a replacement hire vehicle at the lowest rates available and stave off any potentially spurious (but difficult to defend) injury claims.



For cases where liability is in dispute, claims defensibility and the gathering of information is key. We encourage client involvement in the process.

Under the strict control and supervision of your Henderson claims team, we view this as an integral part of our role and helps further manage the cost of claims by ensuring that insurers only pay claims where they are liable.

As a consequence of fault incidents, insurers 'claims reserving policy' must be monitored and control at all times. To ensure that reserves reflect that actual potential cost of a claim, we maintain a strict insurer dialogue. Reserves are constantly challenged to ensure claims are closed off as quickly as possible.

In the event of non-fault incidents, as part of our service agreement, we provide an uninsured loss recovery service. When a non-fault accident is reported, we take responsibility by contacting the third party and their respective insurers to pursue the claim directly. Adopting this approach ensures that the whole claims process is controlled.

Employers and Public Liability Claims Support

Accident Investigation Training:

We have a wealth of experience in dealing with and defending both Employers and Public liability claims. The key to defending claims lies in the quality of a client's documentation.

As part of our service, **we are able to provide accident investigation training**. The training is centred on what to do following an accident, how best to capture information and how to present the claim to assist in its defence.

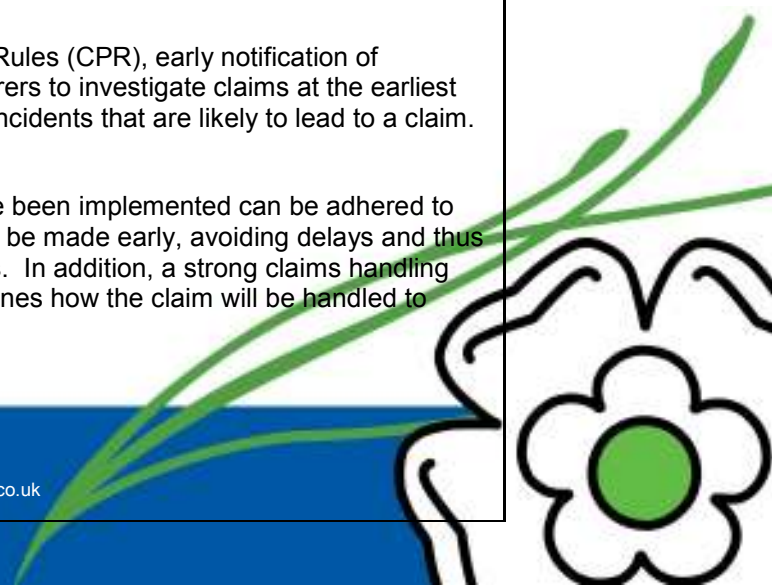
Claims Defensibility:

As well as accident investigation training, a claims defensibility can be undertaken. The purpose of the audit is to assess how robust your existing procedures are and wherever possible, **provide practical improvement guidance**.

Claims Handling:

Due to recent changes in the Civil Procedures Rules (CPR), early notification of Employers or Public Liability claims allows insurers to investigate claims at the earliest possible opportunity. This rule also applies to incidents that are likely to lead to a claim.

This ensures that the strict timescales that have been implemented can be adhered to and allows for the correct decision on liability to be made early, avoiding delays and thus achieving savings on claimant's solicitor's costs. In addition, a strong claims handling strategy can be set at the outset, which determines how the claim will be handled to conclusion and further contain costs.



In order to ensure that the cost of any claim is effectively managed, it is essential that the decision to either admit or deny liability is made swiftly.

We will take full control of all liability incidents and liaise with insurers to ensure that the correct decision on liability is made. This will include input from yourselves. By making the correct decisions early, we can ensure that costs are maintained.

Similarly, on the defensibility of a claim, working together we will ensure that the strongest possible case of denial is put forward.

Where liability is accepted, it is important to understand the reasons behind the decisions and learn from the mistakes that are made. This allows for improvements to be made to your internal safe working practices.

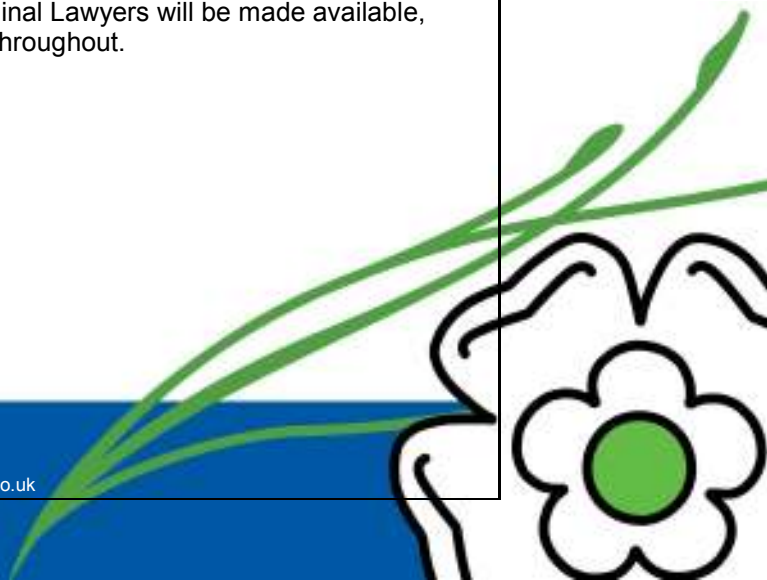
As well as managing the decision on liability, we will also liaise with insurers regarding claim values and their final settlement policy. Any claim we believe can be challenged, will be challenged.

In considering claim values, under the existing liability policy there is provision for rehabilitation. In the event of a claim for which Yorwaste are liable, the policy will contribute up to £5,000 towards the cost of rehabilitating the injury party. With this, we envisage working closely with you in order to determine those cases that would benefit from such assistance.

Our main focus is to ensure smooth transition of all claims and where possible, reduce liability claims cost to an absolute minimum. The changes to the sentencing guidelines place a great deal of pressure on businesses throughout the UK. In recognising this, we must ensure our clients are not exposed to unruly costs and fines.

Your Henderson team have a great deal of experience in assisting clients when dealing with regulatory authorities such as Police, HSE and EA / EH investigations. In the event of such situation, you will have support from you Contract Manager and Claims Director. They can be contacted 24 hours a day.

Adding value to your existing emergency response procedures by appointing specialist legal representation such as Solicitors and Criminal Lawyers will be made available, ensuring you have the professional assistance throughout.



Property Claims Support

In the first instance, we ask that all property incidents are reported to your claims team. Depending on the level of damage (policy deductible £150,000) we will contact the relevant insurer and if necessary, arrange for a loss adjuster to attend site as soon as possible. Your Contract Manager and Claims Director will also be on hand to provide guidance.

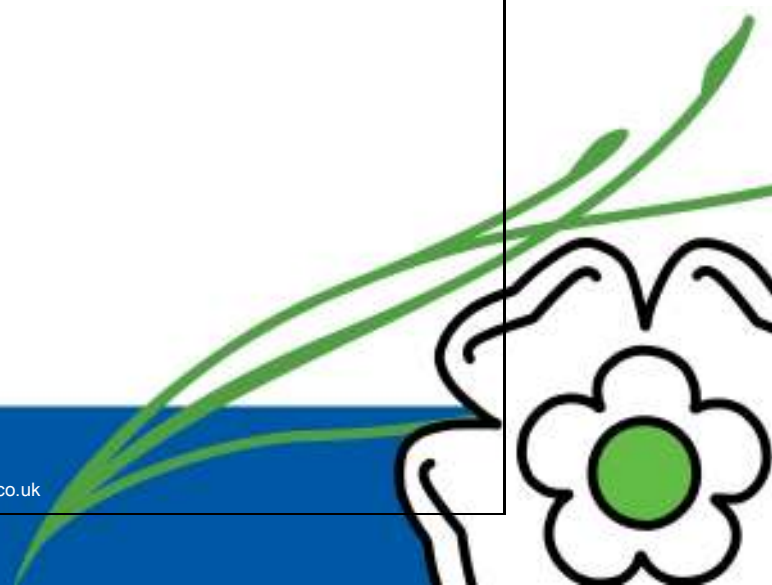
A significant property loss could occur at any time. Your team are contactable 24 hours day. As part of your team, you have available two highly experienced loss adjusters that would be immediately instructed to handle the claim through to final settlement.

Having experienced loss adjustors working for you ensures that claims are presented in a favourable format. This not only protects the business, but avoids unnecessary and unwanted costs from outside parties.

We will present all property claims to insurers on your behalf. We will collate all relevant documentation and review policy liability in detail to ensure that the best possible outcome is achieved for Yorwaste.

On occasion, damage can be caused to property as a consequence of a negligent act of a third party. In these circumstances we will liaise with the third party insurers to recover any costs incurred.

Nevertheless, regardless of the size of the loss, we will provide a full mitigation assistance throughout. Our aim is to ensure the business does not suffer. We will work with all professional partners, insurers and yourselves to ensure that settlement and/or interim financial payments are with you within a coordinated and pre-agreed timeframe.








Major Loss Claims Support

Our major loss claims support has always been to protect our clients and implement a process whereby all parties are actively involved.

No one has a better understanding of their business than the clients themselves. As such, it is imperative that the client has extensive input into major losses.

Our emergency response team consists of:

-  Henderson Internal Loss Adjustors;
-  Contract Manager / Senior Claims Director;
-  Forensic Investigators;
-  Legal support;
-  Additional support Services (agreed Contractors/Consultants).

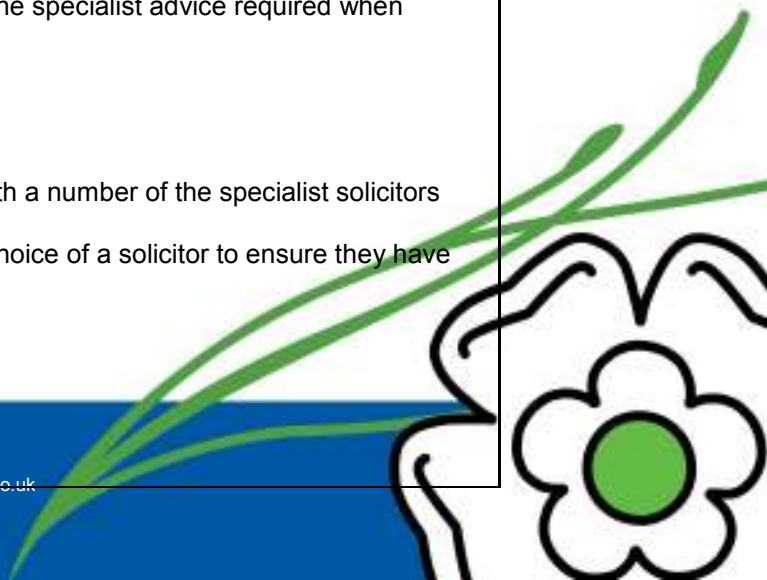
We recognise that businesses do not keep generic offices hours. Your emergency response team can be contacted 24 hours a day and on major holidays.

In dealing with major losses, your team have a wealth of experience in dealing with multi-million pound, complex liability and property losses, including major recycling fires.

Liability Approach

In the event of a major accident involving a member of staff or the public, contact should be directed to Henderson. At the point of notification, we will make contact with your insurers within an hour and arrange for them to appoint a solicitor that can then make contact with you in order that they can provide the specialist advice required when dealing with a serious event.

We have excellent professional relationships with a number of the specialist solicitors and we will influence, on your behalf, insurers choice of a solicitor to ensure they have the skills and knowledge to service your claim.



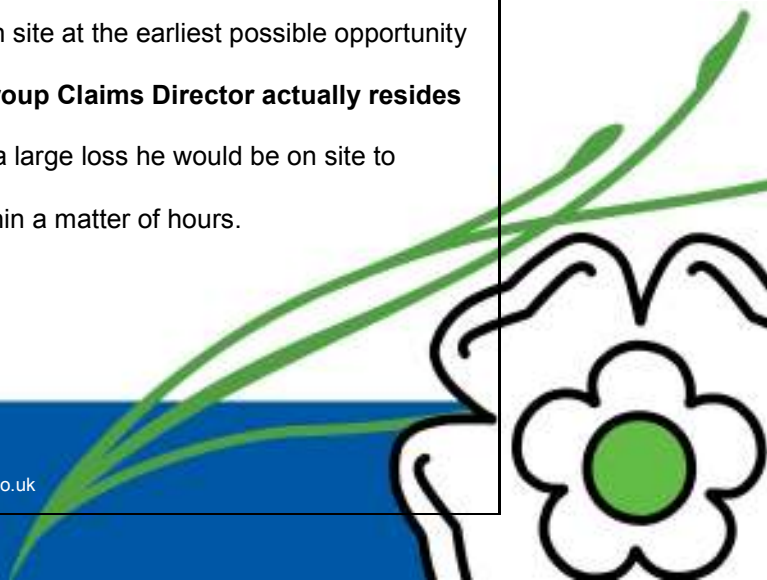
In addition to ensuring that you have the most appropriate solicitors appointed, we commit to attend initial and regular meetings with you and the solicitors to ensure that the correct strategy is adopted in respect of the individual circumstances of your claim. In addition, we will ensure you are at the centre of the decision making process in respect of the claim and are kept regularly updated as to developments.

We have in-house knowledge and experience to support your business through what can potentially be a very difficult claim, which may involve HSE investigation.

In addition to ensuring that your liability insurers have been instructed and have appointed the correct legal representatives to protect the interests of the business, we would also look to engage with your Directors and Offices insurers in order that individuals within the business are also given the optimum level of support. The Yorwaste claims service team have specialist knowledge in such matters and would be on hand to ensure that the policy is engaged and the correct representation is provided

Property Approach

In the event of a major property loss of any type, once you have made contact with your Henderson claims team, HIBL, we would make contact with your insurers within the hour and appoint a loss adjuster. We would also instruct our own internal, loss adjusters to make contact with you immediately and to be on site at the earliest possible opportunity (within 24 hours). **Our senior loss adjuster/Group Claims Director actually resides in Northallerton;** it is likely that in the event of a large loss he would be on site to provide expert support and guidance to you within a matter of hours.

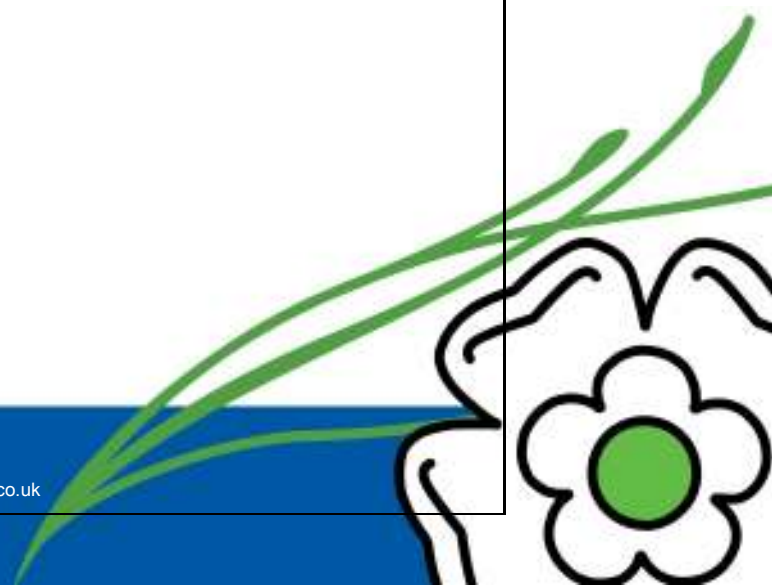


The sole purpose of our major loss model is to handle the claim on your behalf from 'cradle to grave'. This will include policy liability, early interim payment and presentation/negotiation of settlement.

With regards to a major property loss, your Henderson loss adjuster would be on site within hours of the loss occurring. The insurers loss adjuster will be on site within 24 hours to agree a bespoke strategy for progressing your claim and providing support whilst you concentrate your efforts on running the business.

In addition to providing a full loss adjusting service, **we have recently launched 'Henderson Property Claims Proposition'**, which allows you access to insurance specialists such as structural engineers, Quantity Surveyors, Project Managers, contractors, specialist drying contractors and temporary building providers. Rather than having to search for the likes of a qualified, responsible contractor, we at HIBL are able to provide you with an immediate solution that will ensure that any necessary repair work is quoted for and carried out promptly.






Scored – 5% weighting



5. Please provide CVs of the key personnel who will look after our account and where they are based.

Answer:

Your account team will be based out of our Head Office in Leeds and consists of:

-  Account Director (Contract Manager);
-  Account Manager (Deputy Contract Manager);
-  Claims Director;
-  Claims Manager (Claims Handler);
-  Risk Manager.

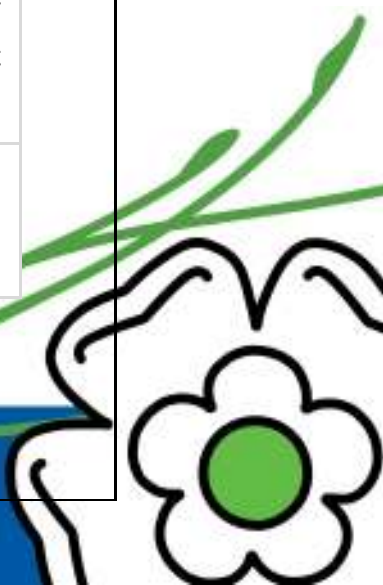
To further enhance our support structure, in times of absence, you have support from our senior Technical Director.

Your account team CV's are as follows:

Account Director (Contract Manager)	Neil Beck
Year Experience	18 years
Specialism	Waste Recycling Manufacturing
Core Competences	Property B-Interruption Liabilities Motor
Role / Experience	<p>Neil has worked for Henderson since 2002, having worked previously for global broker Jardine Lloyd Thompson.</p> <p>Having worked in the recycling sector for circa 18 years, Neil has overall responsibility for the delivery of service to Yorwaste.</p> <p>Leading negotiations with the insurance market. Main Board Director at the Leeds Head Office</p>
Contact	<p>D: 0113 393 6329</p> <p>M: 07739 615694</p> <p>E: neil.beck@hibl.co.uk</p>

Account Manager (Deputy Contract Manager)	Helen Burkill
Year Experience	30 years
Specialism	Waste Recycling Manufacturing
Core Competences	Property B-Interruption Liabilities Motor
Role / Experience	<p>Helen has worked for Henderson since 2006 having previously worked for a Global broker A.J Gallaghers as Account Broker.</p> <p>As Account Manager since 2013, Helen is responsible for the day to day internal relationship and administration for the Yorwaste account.</p>
Contact	D: 0113 393 6373 E: helen.burkill@hibl.co.uk

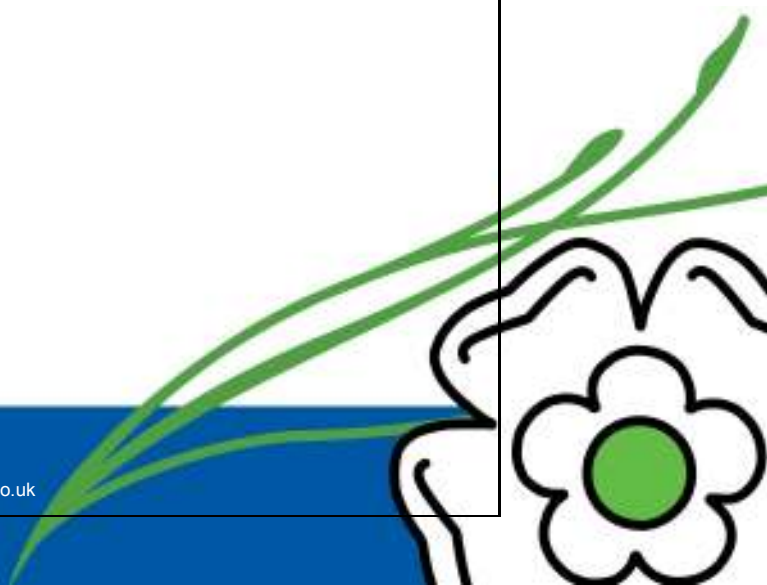
Claims Director	Tom England
Year Experience	20 years
Specialism	Waste Recycling Manufacturing Logistics
Core Competences	Property B-Interruption Liabilities Motor
Role / Experience	<p>Tom has worked in the insurance industry for the last 20 years. During this time he has spent 6 years working for global insurers, 10 years working for corporate brokers and 4 years in industry.</p> <p>This unique experience has provided him with insight into a diverse range of insurance disciplines. Advising corporate clients on the implementation of robust claims handling protocols. Tom is a main Board Director at the Leeds Head Office</p>
Contact	D: 0113 393 6310 M: 07889168029 E: tom.england@hibl.co.uk



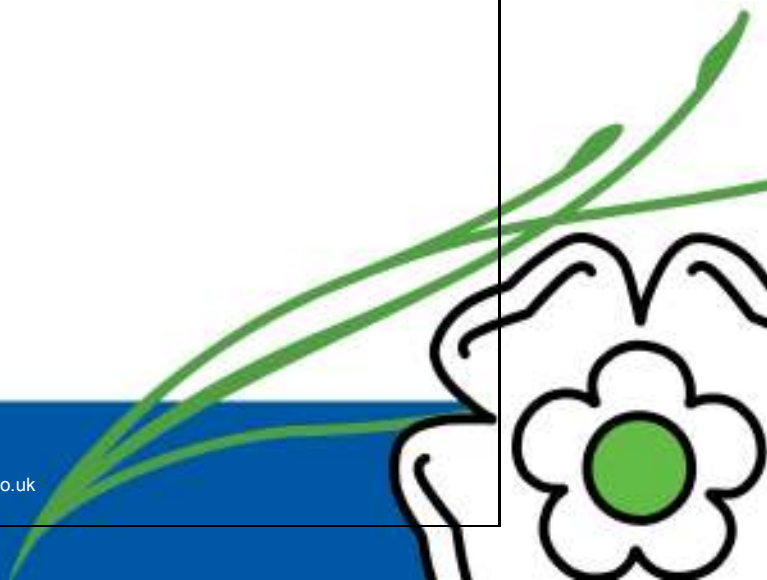
Claims Manager (Claims Handler)	Helen Lyons
Year Experience	17 years
Specialism	Waste Recycling Manufacturing Logistics
Core Competences	Property Liabilities Motor
Role / Experience	<p>Since graduating for University, Helen has worked for the Henderson Group for 17 years in various claims disciplines.</p> <p>As claims manager, Helen is responsible for assisting Tom England with the management of the Leeds claims team. Skilled in analytical claims data, Helen provides support to a small number of bespoke clients.</p> <p>Promoted to Associate Director in 2015, Helen is the key contact for all claims relating to Yorwaste.</p>
Contact	D: 0113 393 6241 M: 0774 0029742 E: helen.lyons@hibl.co.uk

Risk Manager	Keith Buckle
Year Experience	30 years
Specialism	Business Continuity Health & Safety Fire & Security
Role / Experience	<p>Keith has worked for the Henderson Group since 2010 having previously worked for both Global insurers and brokers.</p> <p>Working with the Yorwaste Account Team, Keith is responsible for providing specialist advice and guidance on in a variety of areas of physical risk control, safe working practices and health, safety and employee welfare.</p> <p>Member of the Business Continuity Institute.</p>
Contact	M: 07889 168019 E: keith.buckle@hibl.co.uk

	<p><i>Scored – 7% weighting</i></p>
6.	<p>Please describe how you will ensure continuity of service.</p> <p>Answer:</p> <p>To ensure continuity of service, Henderson work in small defined pockets of teams. Members of the team are introduced to each other clients ensuring that clear succession plans are in place in times of absence.</p> <p>The succession plan for Yorwaste is defined as follows:</p> <p>Neil Beck (Account Director / Contract Manager)</p> <p><u>Succession: Nigel Harrison (Technical Director).</u> Nigel is familiar to the Yorwaste account and is on hand in times of absence. Multi-disciplined in all classes of cover.</p> <p>D: 0113 3936321 E: nigel.harrison@hibl.co.uk</p> <p>Helen Burkill (Account Manager / Deputy Contact Manager)</p> <p><u>Succession: Laura Wassell (Broking Manager).</u> Laura runs the internal broking team and is there to provide continued support in times of absence. Laura has experience of recycling risks.</p> <p>D: 0113 3936359 E: laura.wassell@hibl.co.uk</p> <p>Tom England (Claims Director)</p> <p><u>Succession: Helen Lyons (Claims Manager).</u> Helen is already familiar to the Yorwaste account and provides management support to Tom. Additional support provided by Peter Wilkinson (Group Claims Director).</p> <p>D: 0113 3936341 E: helen.lyons@hibl.co.uk</p>



	<p>Helen Lyons (Claims Manager / Claims Handler)</p> <p><u>Succession:</u> Tim Neill (Claims Handler). Tim is familiar to the Yorwaste account having being the claims handler between 2013 and 2016. Tim already provides support on Motor Claims.</p> <p>D: 0113 3936328 E: tim.neill@hibl.co.uk</p> <p>Keith Buckle (Risk Manager)</p> <p><u>Succession:</u> Henderson Risk Management, a team of highly qualified professionals that deal with all elements of risk management. D: 0113 3936300 E: hrm@hibl.co.uk</p> <p><i>Scored - 5% weighting</i></p>
7.	<p>Please explain how you would improve our risk management over the next 12 months assuming that the insurance market stays the same and how would you assist the Company position itself in a changing insurance market.</p> <p>Answer:</p> <p>As part of our ongoing service, we would look to complement the internal risk management function by providing specialist advice, guidance and support as part of our ongoing service.</p> <p>Our intention is to develop a stronger risk profile with a view to minimising your exposure, differentiating the business from the industry sector and engendering increased competition within the insurance market place.</p> <p>We aim to avoid duplication and concentrate on areas where we can specifically add value. We aim to challenge the business and develop your risk profile.</p>








How will we achieve this?

It is important that the appropriate standards are put in place / maintained to ensure the risks are adequately controlled and do not adversely affect the risk and insurance programme.

The key proposals for the next 12 months.

Physical Gap Analysis and Risk Profiling covering:

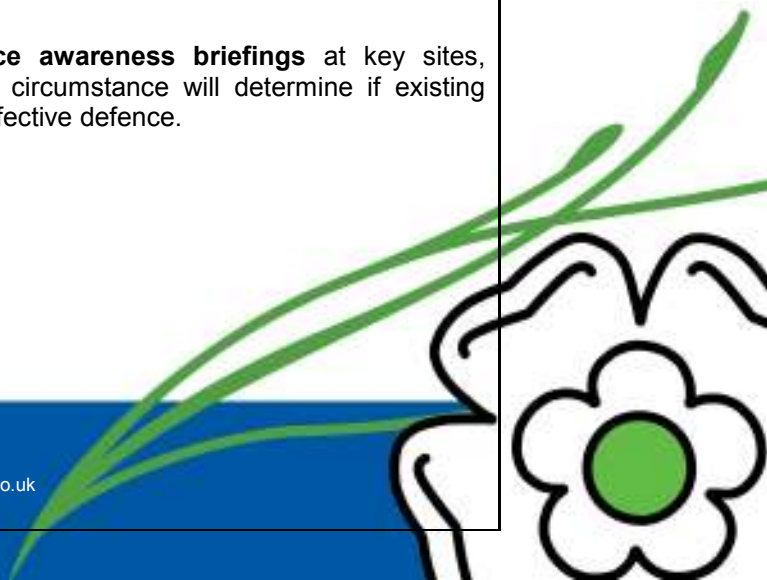
-  Revisit / undertake a gap analysis in respect of the new operations to determine risk management standards and tolerance;
-  **Asset Protection:** Inception hazards, electrical maintenance, hot works, waste control, house keeping, fire procedures;
-  **Security:** Physical, perimeter, electronic, mobile plant;
-  **Health and Safety:** Policies, procedures, training, occupational health, premises conditions, public access, workplace transport, manual handling, accident investigation;
-  **Warranty and Condition:** Adherence compliance test.

Claims Defence









Rather than duplicate the ongoing initiatives in respect of legal compliance and external accreditation, we would look to **specifically challenge the business** and its ability to defend employers liability incidents.

As part of the process we will provide you with continual feedback as part of claims reporting and management information. This will incorporate honest views and feedback, no matter the circumstance. This will enable the business to learn from mistakes and modify existing documentation and procedures.

We propose a calendar of claims defence awareness briefings at key sites, examining specific operations, personnel and circumstance will determine if existing arrangements would respond and provide an effective defence.



Highlighting key locations, we would select specific employees, tasks and reported incidents and examine the documentation in place. This would incorporate:

-  Existing Risk Assessments;
-  Method Statements;
-  Workplace Inspections;
-  Maintenance Records;
-  Management / Instruction / Training;
-  Accident Reporting / Times / Hours Loss;
-  Accident Investigation;
-  Occupational Health Surveillance.

Following the defensibility audit, a detailed report will be issued outlining strengths and weaknesses. A specific prioritised action plan will also be issued to management.

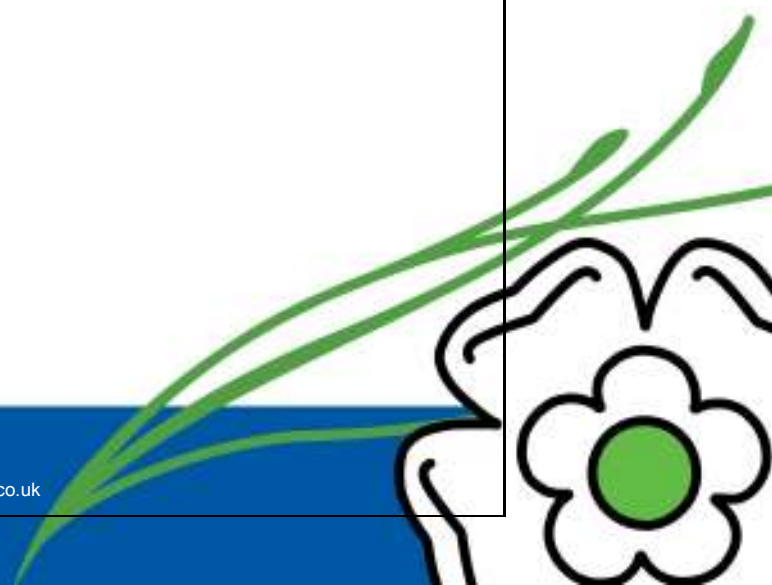
Policy Condition and Warranty Audit

Historically, the waste section has been forced to adhere to many stringent policy conditions, particularly under property and asset protection policies.

Whilst we have been successful in achieving a programme that sits comfortably with the business, **we must continue to challenge insurer thinking** and where possible, remove or amend any unwanted clauses.

A part of our audit, we would look to raise awareness at site level by providing a simple, but concise briefing warranties document to ensure site management and staff are education on the 'do's and don'ts' of the insurance policy.

In order to provide a significant level of reassurance, with authorisation, we would propose to **undertake unannounced inspections** of the main sites and formally record the levels of compliance and the adherence to policy conditions. This information can then be assessed by management.








Fleet Risk Management

Development of an effective fleet risk management programme generally encompasses three key stages:

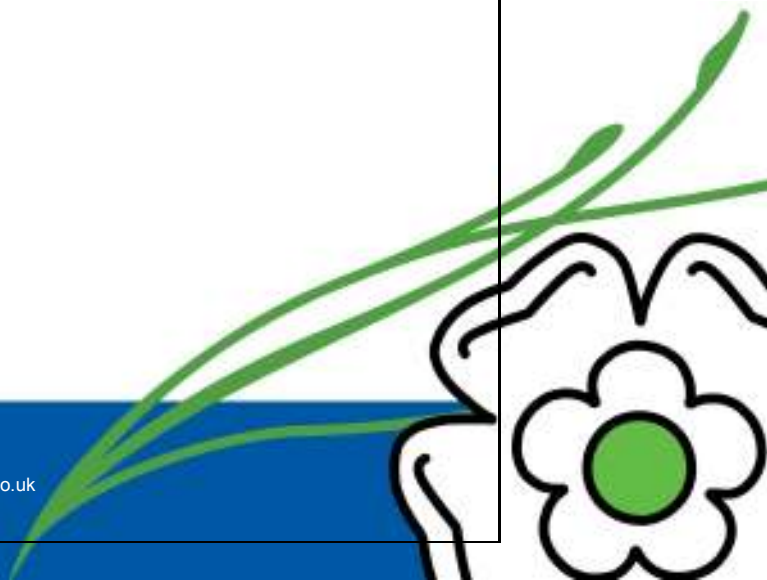
1. Legal Compliance;
2. Setting of effective policies and procedures;
3. Behavioural Change.

Consistent with the recommendations highlighted in our recent fleet risk management review, we would suggest that Yorwaste are currently part way through stage 2.

In the development of such a risk management programme, over the coming months we would look to:

-  Integrate risk/claims data within the operational reports to ensure greater awareness and visibility within the operation teams;
-  Spilt out claims cost per vehicle by depot to allow the business to allocate costs more effectively;
-  Assist in developing a fleet risk management policy and objectives to ensure greater focus within the business;
-  Develop scope for driver training/assessment programme with the existing driver training team;
-  Advise on the installation of electronic in vehicle monitoring such as telematics / cameras to ensure the most robust and effective options are explored.

Once stage 2 has become established, we would look to develop the behavioural aspects of fleet risk management, which would examine driver profiling and developing targeted interventions, along with training programmes in conjunction with specialist external providers.



Business Continuity Planning

Over recent years, a framework has been established at a senior level regarding emergency response, evacuation and continuity planning.

The work we have undertaken as part of the strategic risk register and business impact analysis has reinforced that the business has a significant level of resilience in overcoming a major loss at any one of its sites (we appreciate the complex nature of such an incident), meaning that the loss of one specific site could be overcome within acceptable timescales, thus minimising disruption.

This high level plan was successfully tested via a desktop scenario facilitated by Henderson and was successful in dealing with a number of real life incidents in 2016.

As part of the business continuity plan, we **would recommend revisiting these incidents to see whether any lessons can be learnt.** It would be our intention to carry out an internal audit and score each scenario accordingly. The results of which will be provided to management.

Furthermore, we must not forget the planned changes to the business in 2017 / Beyond. The additional household refuse sites and the changes at Harewood Whin will have an impact on the existing continuity plan. We recommend a thorough review is carried out to ensure existing procedures are able to respond to the increased demands.

This would include developing site level plans to ensure they are fit for purpose and dovetail with existing high level plans.

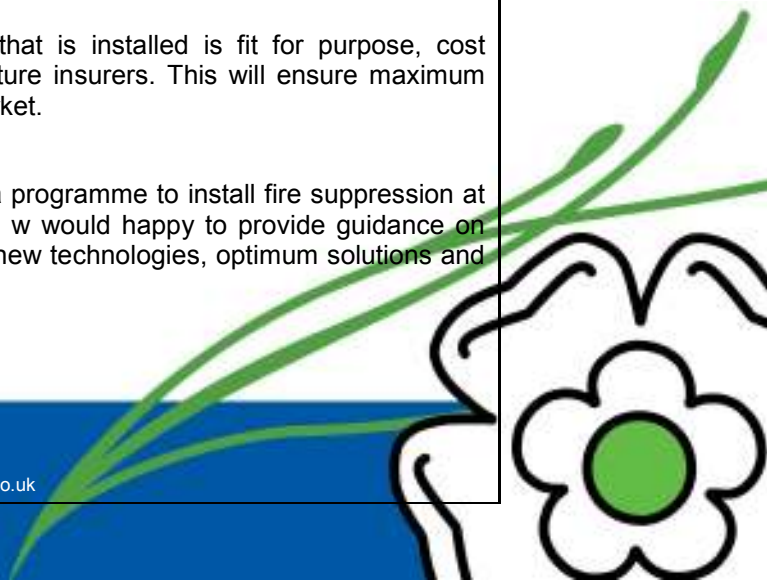
Asset Protection





A key aspect of improving the risk profile (property and asset) is the provision of effective fire suppression / water drenching systems within new / existing facilities and plant.

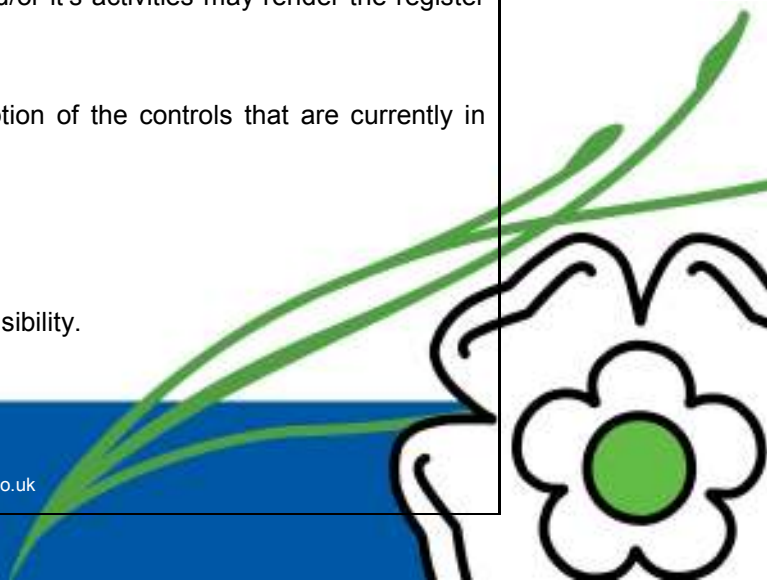
Applications vary from the highly developed comprehensive systems such as sprinkler protection, through to a range of gaseous and water based fire suppression systems which have a more specific application and are less tried and tested.

The objective is to ensure that any system that is installed is fit for purpose, cost effective and acceptable to the current and future insurers. This will ensure maximum impact when negotiating with the insurance market.

We know that the business has embarked on a programme to install fire suppression at the new facilities at Harewood Whin, therefore we would be happy to provide guidance on any technical assistance such as guidance on new technologies, optimum solutions and insurer approval.



	<p>The insurance market remains static at present and future forecasting remains unclear.</p> <p>The important message therefore, must be to ensure that when the market cycle changes, we are in a healthy position to react.</p> <p>The measures in place to reduce incident frequency, lost time, RIDDOR reportable injuries and HSE notices are not only future proofing, but also demonstrate the existing ethos and culture of the company. Something that we have and will continue to stress to the insurance market.</p> <p>Improvements can be made and are ongoing. Our role over the next 3 year tenure is to challenge these goals and your thinking.</p> <p><i>Scored - 15% weighting</i></p>
8.	<p>Please explain how you would add value to the strategic risk register process.</p> <p>Answer:</p> <p>Identifying, assessing and managing risks down to acceptable levels are the cornerstone of any good strategic risk register.</p> <p>The purpose of a risk register is to record the details of all risks that have been identified along with their analysis and plans for how those risks will be treated.</p> <p>Our wide industry expertise in facilitating and enhancing strategic risk registers enables us to draw upon our vast experience and share ideas with our clients.</p> <p>In adding value to the existing register we must again review:</p> <ul style="list-style-type: none">  The risk itself: changes to the business and/or it's activities may render the register obsolete or out of date;  Existing controls: evaluate a brief description of the controls that are currently in place;  Consequence and likelihood;  Agreed priority, action summary and responsibility.



Adding value the process is key. The strategic risk register is an important component of any risk management framework and should be viewed alongside any business continuity plan.

Our experience in assisting clients allows us to challenge existing assumptions and widely held views to ensure rigorous reviews take place as part of the management forum.


As part of our risk management proposition, **we would take to hold a refresher awareness briefing** involving the senior management of Yorwaste.

Scored - 5% weighting

9. Based upon our current sums assured, please conduct a desktop survey and inform us what you believe you will be able to deliver the insurance premiums at? How would you deliver that figure? Please provide further explanations for any significant change.

Answer:

Category	2016 Confirmed Premium	2017 Assumptions	Potential Rebates	Comments
Commercial Property	£142,500.23	£144,453.23	£21,000.00	Fixed rate agreement
Combined Liability	£73,200.00	£73,200.00	N/a	Fixed rate agreement
Mobile / Hired in Plant	£65,545.10	£65,545.10	£6,500.00	Fixed rate agreement
Motor Fleet	£145,902.00	£145,902.00	£14,600.00	Rebate on loss ratio
Engineering Computers	£960.00	£960.00	N/a	N/a
Management Liability	£3,882.00	£3,882.00	N/a	N/a
Professional Indemnity	£1,600.00	£1,600.00	N/a	N/a
Group Personal Accident	£1,617.77	£1,617.00	N/a	N/a
Environmental Liability	-	-	N/a	Renewal 2019
<i>Total (excluding IPT/VAT/FEE)</i>	<i>£435,207.10</i>	<i>£437,159.33</i>	<i>£42,100.00</i>	<i>N/a</i>

 2017 Assumptions: Subject to no changes to the business

 Potential Rebates: Subject to claims loss ratios

	<p>The premiums noted are based on accurate reflection on the existing levels of cover.</p> <p>The assumptions made are based on the asset and financial values as detailed in the risk and insurance register as at September 2016.</p> <p>Any significant change to the insurance market, changes within Yorwaste, changes to asset and financial values and claims experience may have a significant change to the 2017 assumptions.</p> <p><i>Scored - 8% weighting</i></p>
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4. PRICE SCHEDULE

1. The prices submitted must be exclusive of VAT.
2. The Company shall deduct the discount figure from the annual fee for the Core Services and allocate the lowest score the full 10% point. The fees from the remaining Suppliers will be allocated points on a pro rata basis.

Please provide your annual fee for delivering all the Core Services as defined in the specification. This must include the handling of major claims.
£35,000 first 12 months. Years 2 and 3 to be negotiated
Please provide the discount to your annual fee should we have no major claims that year.
Major claims support forms part of our overall claims service. No additional charge is made
What are the prices for other services you can provide outside of the Core Services.
As detailed in the document. All the services we promote form part of our overall service proposition. Inclusive in the above fee.

Alternative Price Schedule

1. The Company would like Suppliers to submit an alternative price schedule.
2. This alternative will not be scored and will be for information only.
3. The Company will discuss with the successful Supplier which Price Schedule it would like to use at the beginning of the Contract.
4. The Company reserves the right to change the price schedule it uses for each year of the Contract.



Assess and advise on the management of the Company's risk profile – per annum
£2,500
Procurement of appropriate insurance cover for the Company – per annum
£7,500
Renewal of the Company's insurance cover – per annum
£5,000
Provision of a dedicated Contract Manager and team that are contactable at all times – per annum
£7,500
Assist in the review of the Company's six monthly review of its risk register – per annum
£1,500
Provision of updates or changes to the insurance markets and / or any legislation relating to risk management and insurance – per annum
£1,000
Provision of a claims handling service for routine claims – per annum
£7,500
Provision of a claims handling service for major claims – per annum
£2,500



CONTRACT ACCEPTANCE

Contract for Risk Management Brokering.

To Yorwaste Limited & SJB Recycling Limited

I/we the undersigned DO HEREBY UNDERTAKE to provide the Goods and or Services upon and subject to the terms and conditions set out, Specification, and the pricing and rates contained in the pricing schedule and other documents as are contained or incorporated herein.

Signature Neil Beck

Duly authorised agent of the Supplier

(Electronic/typed signatures are acceptable)

Position held Director

Name and Address
of Supplier Henderson Insurance Brokers Limited

Capitol Park

Leeds.

LS27 0TS

Dated 19TH January 2017



It must be clearly shown whether the Supplier is a Limited Company, Corporation, Partnership, or Single Individual, trading in his own or another name, and also if the person signing is not the actual Supplier, the capacity in which he signs or is employed.

Note – Electronic signatures or typed names are acceptable. In the event that your organisation is successful you will be required to resign this form with an original signature

