

Public sector insurance survey

A range of public sector organisations have been sharing their experiences about the impact of COVID-19 on their insurance policies and claims.

The Government Actuary's Department (GAD) [created a survey](#) to investigate the changes to their insurance risks and the response of the insurance market.

Insurance and coronavirus

While central government departments typically find it cheaper to retain their risks, local government organisations rely on commercial insurance.

GAD's work includes providing insurance-related advice to the UK public sector. We wanted to help public sector authorities make sense of the impact of COVID-19 on their insurance arrangements.

In our survey we asked these authorities how COVID-19 had affected their insurance risks, including the:

- immediate impact on claims they're incurring
- response from insurers
- outlook for their total cost of risk

We received 80 responses from unitary authorities, county and district councils, metropolitan districts and London boroughs, as well as fire and police authorities.

Respondents shared their views on the immediate and ongoing impact of the pandemic on their claims experience and insurance policies. They also answered questions around the future impact of COVID-19 on different types of risks, as well as how they anticipate managing the total cost of risk in the future.

Mixed picture

GAD's Head of Business Development Ian Rogers devised the survey. He said: "This is an important insight into the impact of the COVID-19 pandemic on public sector organisations.

"The immediate impact was a mixed picture. Most respondents experienced some change in claims costs, although whether this was positive depended on the type of authority and mix of risks. A third of respondents also reported a deterioration in their dealings with insurers.

"The survey results indicated a clear consensus on the outlook for the insurance market, with the vast majority (92%) anticipating adverse impacts. As well as price increases, there are concerns about restrictions on cover and reduced availability of some types of insurance.

“To mitigate against this, authorities are expecting to self-insure more of their risks and exploring alternative risk transfer arrangements.”