

## **EX24. ACTUARIAL VALUATION OF THE INSURANCE FUND AND UPDATE ON MUNICIPAL MUTUAL INSURANCE (MMI)**

The Executive considered a report by the Chief Finance Officer on the actuarial review of the Insurance Fund and highlighted the current position with regard to Municipal Mutual Insurance (MMI) liabilities.

The Council's Insurance fund was subject to a three yearly actuarial review to ensure that it was sufficient to meet the Council's Liabilities. The 2013 valuation found that the fund had a surplus of £0.8m and that the fund was broadly healthy. However the review had noted uncertainty over the final costs which would fall due to liabilities relating to Municipal Mutual Insurance (MMI).

MMI had been the predominant insurer of public sector bodies and had stopped underwriting operations in 1992. Arrangements to ensure that the MMI had sufficient resources to meet liabilities had been established at the time. However MMI had since fallen into administration, with implications for Falkirk Council Insurance Fund. It was proposed to transfer £0.55m from the General Fund together with £0.25m from the Housing Revenue Account (HRA) to the insurance fund.

### **Decision**

**The transfer of £0.55m from the General Fund and £0.25m from the Housing Revenue Account to the Insurance Fund was approved.**