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EL(88)P/202  
FPCL 169/88



DEPARTMENT OF HEALTH AND SOCIAL SECURITY  
HANNIBAL HOUSE Room No.  
ELEPHANT AND CASTLE LONDON SE1 6TE  
TELEX 883669 TELEPHONE 01-703 6380 EXT  
GTN (2916)

Your reference:

Our reference:

To: General Managers/Administrators of:  
Regional Health Authorities  
District Health Authorities  
Special Health Authorities for the London  
Postgraduate Teaching Hospitals  
Family Practitioner Committees

Chief Executives of:  
Central Blood Laboratories Authority  
Dental Estimates Board  
NHS Training Authority  
Prescription Pricing Authority

The Secretary of  
Public Health Laboratory Service Board

M.R.H.A. - ADMIN.	
RCVD. P 1 DEC 1988	
FOR ACTION BY FTG	
COPIES SENT TO:	
PAF	

30 November 1988

Dear Sir or Madam

**INSURANCE FOR BUSINESS USE OF CROWN CARS**

1. As indicated in paragraph 5 of EL(88)P/103, following many requests from health authorities for such a facility, the Department has approached the Treasury to explore the scope for a relaxation of the non insurance rule which would enable health authorities to take out insurance cover for the business use of Crown cars provided to NHS employees under the provisions of Section 24 of the General Whitley Council Handbook. Authorities will be aware that Government Accounting rules do not allow health authorities to take out insurance against any risk which, if it arose, would fall directly on public funds, except with prior Treasury approval.

2. The Treasury has now agreed to the Department obtaining quotes from the insurance market for a centrally negotiated business use contract, to enable an appraisal of the cost effectiveness of commercial insurance to be made.

3. In order to obtain quotes, and to enable further progress to be made in discussions with the Treasury, it will be necessary for the Department to have detailed information regarding the current business use claims experience of Authorities, together with an estimate of the staff and administrative costs of handling third party claims. The information required by insurers is set out in the returns attached for completion at Annex A and B.

4. I would be grateful if Authorities could ensure that all parts of the return are completed in full, to enable the Department to secure the most advantageous quotes from insurers and an early conclusion of its discussions with the Treasury on a relaxation of the non insurance rule.

5. Authorities who do not yet have a Crown car scheme in operation are asked to return the form marked to that effect.

ACTION

6. Authorities are asked to submit the completed returns at Annex A and B by 13 January direct to:-

Mr P Edwards  
Health Authority Personnel Division 2B  
Department of Health  
Room 79  
Hannibal House  
Elephant and Castle  
LONDON SE1 6TE

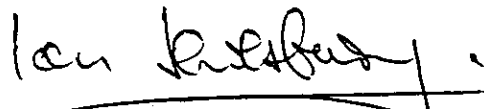
01 703 6380 Ext:4007

(to whom any enquiries should be made)

7. This letter may be cancelled on 1 December 1989.

Yours faithfully

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I JEWESBURY  
Assistant Secretary

.....HEALTH AUTHORITY

CROWN CARS:INSURANCE FOR BUSINESS USE

DRIVERS UNDER 25

- 1.(a) Numbers of Crown cars allocated to drivers under 21 years of age .....
- (b) Numbers of Crown cars allocated to drivers aged 21-24 years .....

ALL DRIVERS

BUSINESS USE CLAIMS EXPERIENCE FOR THE PERIOD 1 NOVEMBER 1987 - 31 OCTOBER 1988

(If the date of introduction of scheme was later than 1 November 1987 please state date here:-

.....)

- 2. Numbers of Crown cars being used on official business during the period 1 November 1987 (or the date of introduction of the scheme if later) to 31 October 1988, in vehicle years\*. ....

Total Number of Accidents Involving Third Party Claims

- 3. Total number of accidents involving third party claims, whether against the Authority, by the Authority against a third party, or with both the Authority and a third party claiming against each other. ....

Claims Against the Authority by a Third Party

- 4. Total number of accidents occurring in the period 1 November 1987 to 31 October 1988 resulting in claims against the Authority by a third party. ....

Settled Claims

- 5. Total value of payments made by the Authority in settlement of claims by a third party, whether settled under a Treasury collision agreement or on a strict liability basis. ....
- 6. Total number of accidents resulting in a payment to a third party under a Treasury collision agreement, and .....
- 7. total value of such payments. ....
- 8. Total number of accidents involving claims by a third party which have been settled under a Treasury collision agreement, but involving no payment by the Authority. ....

\*Vehicle Years is an expression of motor insurance risk exposure, measured in terms of the number of vehicles at risk and the amount of time each vehicle has been at risk during a particular period eg:-

- 12 cars insured for 1 month generates 1 vehicle year
- 6 cars insured for 2 months generates 1 vehicle year
- 9 cars insured for 3 months generates 2.25 vehicle years
- 1 car insured for 6 months generates .5 vehicle years

Authorities may find the form at Annex C helpful in calculating the vehicle years of use for the purposes of question 2.

.....HEALTH AUTHORITY

Claims Against the Authority by a Third Party, Cont'd

9. Details of any major claims included in 5 above, eg serious injury claims or substantial property damage:-

Outstanding Claims

- 10. Estimated value of outstanding payments to be made by the Authority in settlement of claims by a third party resulting from accidents occurring during the period 1 November 1987 to 31 October 1988, whether to be settled under a Treasury collision agreement or on a strict liability basis. ....
- 11. Estimated number of such accidents which will result in a payment to a third party under a Treasury collision agreement, and .....
- 12. estimated value of such payments. ....
- 13. Estimated number of accidents involving claims by a third party to be settled under a Treasury collision agreement but involving no payment by the Authority. ....
- 14. Details of any major outstanding claims included in 10 above, eg serious injury claims or substantial property damage:-

Claims by the Authority Against a Third Party

- 15. Number of accidents in the period 1 November 1987 to 31 October 1988 resulting in claims by the Authority against a third party, and .....
- 16. total value of payments received by the Authority in settlement of such claims, and .....
- 17. estimated value of outstanding payments to be received by the Authority in settlement of such claims. ....
- 18. Details of any major outstanding claims included in 15 above, eg serious injury claims:-

.....HEALTH AUTHORITY

ACCIDENT DAMAGE

19. Estimated total value of damage sustained by Crown cars to be borne by the Authority as a result of accidents occurring during the period 1 November 1987 to 31 October 1988 .....

FIRE AND THEFT

20. Estimated total cost of losses due to fire and theft to be borne by the Authority as a result of incidents occurring during the period 1 November 1987 to 31 October 1988 .....

MALICIOUS/WILFUL DAMAGE

21. Estimated total cost of losses due to malicious/wilful damage to be borne by the Authority as a result of incidents occurring during the period 1 November 1987 to 31 October 1988 .....

ADMINISTRATIVE COSTS

22. Staff and administrative costs, including legal fees and expense, in handling third party claims both against the authority and by the authority .....

.....HEALTH AUTHORITY

NUMBERS AND RANGE OF VEHICLES AT 31 OCTOBER 1988

MAKE	MODEL (Including engine size)	BASE OR NON BASE (Please indicate by "B" or "NB")	AUTHORITY OWNED OR LEASED? (Please indicate by "AO" or "L")	NUMBERS
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TOTAL                     

Please continue on an additional sheet if necessary

.....HEALTH AUTHORITY

FORM FOR CALCULATION OF VEHICLE/YEARS

Number of Cars on Scheme at 01NOV87 .....  
                                  at 30NOV87 .....  
  
                                  at 01DEC87 .....  
                                  at 31DEC87 .....  
  
                                  at 01JAN88 .....  
                                  at 31JAN88 .....  
  
                                  at 01FEB88 .....  
                                  at 29FEB88 .....  
  
                                  at 01MAR88 .....  
                                  at 31MAR88 .....  
  
                                  at 01APR88 .....  
                                  at 30APR88 .....  
  
                                  at 01MAY88 .....  
                                  at 31MAY88 .....  
  
                                  at 01JUN88 .....  
                                  at 30JUN88 .....  
  
                                  at 01JUL88 .....  
                                  at 31JUL88 .....  
  
                                  at 01AUG88 .....  
                                  at 31AUG88 .....  
  
                                  at 01SEP88 .....  
                                  at 30SEP88 .....  
  
                                  at 01OCT88 .....  
                                  at 31OCT88 .....

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TOTAL  
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To calculate the number of Vehicle/Years the above total should  
be divided by 24

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----- VEHICLE/YEARS