

INSURANCE MANAGEMENT POLICY



dr.jsmlm

Dr JS Moroka Local Municipality

INSURANCE MANAGEMENT POLICY REVIEWED FOR 2026/2027 FINANCIAL YEAR

INSURANCE MANAGEMENT POLICY

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INSURANCE MANAGEMENT POLICY

1. OBJECTIVE OF THE POLICY

The objectives of this policy is to:

- Set out a legislative framework in order to comply with asset management requirements, more especially requirements pertaining to the safe guarding of municipal assets
- Ensuring that the general public rights and obligations when lodging a public liability claim is well communicated, and
- Set out the role and responsibilities of officials, managers and councilors regarding safeguarding of municipal assets and insurance processes
- Ensure the municipality has transparent insurance claim processes and procedures

2. LEGAL FRAMEWORK

- It is required of the Accounting Officer, to take all reasonable steps to ensure that council has and implements crucial policies for effective financial and risk management. The safeguarding of assets and the protection of council against liabilities ,it is very crucial , which forms part of proper assets and insurance management systems as prescribed by section 63 of the Municipal Finance Management Act, 56 of 2003, and needs annual revision in terms of section 24(2)(c)(v), of this act.
- A standard for short – term insurance in the municipal environment had been prepared for local authority insurance that takes all circumstances related to a municipality into account.

3. PROPERTY INSURED ASSETS REGISTER

- All assets that are represented in the Municipalities Fixed Asset Register, fall within the scope of insured property. All heads of departments shall before end of December of each year after thorough review of the Fixed Asset Register submit confirmation of all the assets that are held by the set department, the risk requiring to be insured and any other information deemed necessary to the Asset Management Unit, which shall in accordance with the approved and confirmed Fixed Asset Register, effect such insurance as council's interests require , through the service of the insurance broker as appointed by council.
- All Inventory/stock items belonging to the municipality are also insured under the

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municipal insurance contract

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4. REPORTING RISK, CLAIMS AND DAMAGE

- It shall be the duty of a head of department to notify Asset Management Unit without delay of any new insurable risk or of any alteration in an existing insurable risk which has arisen in connection with his/her department (by way of an executive summary).
- On the occurrence of any event giving rise or likely to give rise to a claim by or against the Council or against its insurers , the Head of Department concerned shall notify Asset Management Unit (by way of a signed executive summary) of the event who shall immediately inform the councils insurers thereof.
- Asset Management Unit shall keep a register in which particulars of all insurance policies held by the council shall be entered and shall be responsible for the payment of all premiums and shall ensure that claims that arise under such policies are instituted

5. PROCESS FOR INTERNAL AND PUBLIC LIABILITY CLAIMS

- The Municipality does not **automatically** accept any liability for any claims received, the municipality will forward all claims received to the councils Insurer for determination of liability and possibility of an appointment of an assessor.
- All 3rd party claims against the municipality must be accompanied by all relevant evidence including police reports /affidavits/ statements and evidence that proper investigations were done to establish the root cause of the loss/liability.
- 3rd party claims must be lodged through the relevant affected department. Within 30 days of the incident occurring.
- Asset management unit will only submit the claim for processing if there is an executive summary signed by the HOD of the department accompanied by evidence that a detailed investigation on what is the root cause of the loss/liability.
- Where there is evidence of negligence on the part of a municipal employee appropriate disciplinary measures must be taken against the relevant employee.
- When all relevant documents are in order the relevant department must contact Asset Management Unit at the Municipal Main Building In order to obtain the required claim documents for completion pertaining to the claim.

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6. PROCEDURES TO BE FOLLOWED BY EMPLOYEES IN THE EVENT OF COLLISION INVOLVING AMUNICIPAL VEHICLE:

1. Stop immediately – switch of the engine. Switch hazard indicator lights on.
2. Render assistance to the injured
3. Call for traffic police. Also call for an ambulance in case of death or injury
4. Do not move vehicle unless it is unsafe position and one is injured. Mark positioningbefore moving and agree with witnesses if possible
5. Place warning signs
6. Ascertain nature and extent of any vehicle or property damage
7. Confirm facts that it is a municipal vehicle to traffic police/SAPS and the application ofthis collision procedure. Also provide driver's license to traffic police demand
8. Do not admit liability or agree to pay for injuries to persons or damage to property
9. Do not discuss the collision or argue about the facts with other parties involved
10. Do not make a written statement except to the SAPS or traffic police
11. Do not take any alcohol or drugs
12. Prepare to avail yourself for the collision investigation
13. Complete the collision report and hand it to your supervisor
14. Supervisor to report the collision to the Manager , as well as to the Asset ManagementUnit for insurance purposes

7. APPOINTMENT OF INSURANCE BROKERS

- The council shall call for tenders for the appointment of insurance brokers at leastonce every three (3) years, unless circumstance dictates a shorter period.
- Insurance brokers will be appointed according to their ability to administrate the council's short term insurance portfolio, the professionalism of officials in their employment and their record of the brokerage service in the municipal environment

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7.1 On appointment of an insurance broker the Municipality will conduct a cost benefit analysis to determine which items are to be included or excluded from the cover.

8. **POLICY ADOPTION**

REFERENCE NUMBER	APPROVAL DATE

NAME OF APPROVER	RESOLUTION NUMBER	SIGNATURE OF THE MUNICIPAL MANAGER