



Valuing ACT Government Records for insurance purposes

An agency's records are regarded as a Territory asset. ACT Government agencies are required to declare the full replacement value of assets to the ACT Insurance Authority for insurance purposes. Agencies are not in a position where they can choose whether to insure or not.

The ACT Government manages its insurance exposures and liabilities through a managed insurance fund under the control of the ACT Insurance Authority. All ACT Government agencies contribute premiums to, and are protected by this fund.

The insurance provides protection against the following risks for all insured assets:

- loss of the collection itself if the collection has been declared to ACT Insurance Authority (ACTIA) at full insurance replacement value;
- needing to restore records during disaster recovery if costs can be sensibly identified;
- needing to recreate records during disaster recovery if necessary source data is available and costs can be sensibly identified;
- being unable to provide a service may be insured if costs can be sensibly identified; and/or
- having to engage in disaster mitigation or emergency recovery work may be insured if costs can be sensibly identified.

The full insurance replacement value of records may be difficult to arrive at and this will be markedly different from values used for accounting purposes which may reflect written down or depreciated values. The insurance value of paper records should reflect the costs to the agency of replacement and potentially, conservation and recovery.

The cost of restoration of records or extra costs involved in providing a business service following the loss of records would not be covered unless the records are declared under the physical loss section of the insurance arrangements with ACTIA.

In the event of any loss, damage or destruction to collections it is important that the ACTIA be advised as soon as possible so that an Insurance Assessor can be appointed to deal with any potential insurance claim for replacement or restoration of records.

As a response to the introduction of the *Territory Records Standard for Records Management No.8 – Business Continuity and Records Management*, the Director of Territory Records has provided this Records Advice on valuing ACT Government collections for insurance purposes. Insurance of a records collection may be based on the replacement of some records or the conservation costs of salvaged records.

See the *Territory Records Standard for Records Management No.8 - Business Continuity and Records Management* and the associated *Territory Records Guideline for Records Management Number 8 – Business Continuity and Records Management* for more information on the business continuity issues surrounding valuation and insurance of ACT Government records.

The compliance checklist in the Guideline contains the following:

Principle 1

A compliant agency can demonstrate that it has completed an adequate and explicit business risk impact assessment for records, which includes the following components:

- Assessment of all records for which an agency is responsible, including those derived from any function that has been outsourced
- Identification of vital records
- Identification of archival records
- Valuation of records, particularly vital records and archival records
- Calculation of full insurance replacement value of all its records
- Identification of possible risks to an agency's business continuity and its archival legacy arising from emergencies or disasters affecting its records, records management and recordkeeping systems
- Evaluation of the risks associated with disasters of selected orders of likelihood and consequence
- A program demonstrating that regular reviews are undertaken to ensure that the impact assessment of the risks facing an agency's records, records management and recordkeeping systems is current.

Until agencies can carry out a full valuation and assessment of their agency holdings it is recommended that they reach a valuation for notification to the ACT Insurance Authority of a minimum of \$20.00 per file or \$1,000 per shelf metre. This rate acknowledges the cost of the actual file but does not provide an estimate of the intellectual value of the material on the file or provide for any other business losses following the loss of a file. As soon as agencies are able to reach an understanding of the full value of the file to their agency the new value should be notified to the ACT Insurance Authority.