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CERN/FC/20 Revised. *

Geneva, 7th January, 1955.

EUROPEAN ORGANIZATION FOR NUCLEAR RESEARCHFINANCE COMMITTEE

Geneva, 25th January, 1955

M E M O R A N D U MSubject: Insurance on plant and buildings.

The draft Budget for 1955 includes the figures of 14.000,- francs for insurance plant and buildings. This figure was based on calculations made by the Administration and agreed by the Divisions on the following assumption:

- a: All reasonable risks to plant and buildings should be covered by commercial insurance.
- b: We should seek to make arrangements with insurance companies whereby general cover can be obtained for the buildings and their contents against the usual risks and for a value which can be increased within the same policies by periodical reviews of the rapidly rising cost of the property covered.

The Finance Committee Working Party agreed in December with the above principles and authorized the Administration to make enquiries of various insurance companies and possibly obtain competitive tenders so as to produce a more accurate estimate of the 1955 cost. Since then a further study has been made of the situation and as a result it seems preferable that no attempt should be made at present to secure for the main insurance contract covering the eventual buildings and their contents at Meyrin. The present buildings at the Institut de Physique and at Cointin, which are mainly not our property, are insured with their contents, and these contracts can be continued and extended as the value of the contents is added to. As regards the buildings at Meyrin, there will be very little at risk for some time, except foundations and concrete work, and the insurance companies will be unwilling to make competitive tenders until there is an insurable property to be inspected. This is not likely to be before the second half of the year and until then it is proposed to see whether it is possible to cover all the material on the site for a single lump sum premium until the major policies can be negotiated, starting in July. The result is likely to be that the expenditure of insurance will be very much less than the amount in the Budget.

* This document supersedes CERN/FC/20 of December 20th, 1954, which has been circulated to Finance Committee Working Party members.