

REPORT on a MEETING between the SCOTTISH POTATO TRADE ASSOCIATION'S Secretariat and WILLIS WRIGHTSON SCOTLAND LTD. in 25 South Methven Street, PERTH at 2 p.m. on Monday, 12th June, 1989.

PRESENT: Messrs. R. David Hunter (SPTA) and A. Gunn (WWS Ltd.), with D. Blackmore (SPTA) in attendance.

DISCUSSION: Mr. Hunter explained today's meeting had been arranged on Council's instruction, following Mr. Gunn's letter reporting "General Accident"'s proposals regarding SPTA's Liability Insurance Scheme for Members. In view of the low take-up rate it was intended to increase 1988/89 premiums by 20% and unless take-up increased, to discontinue the Scheme altogether on 31st October, 1989. Council felt take-up could be increased by removing the Scheme's exclusivity (for SPTA Members only) or to change over to a "trade only" scheme not covering growing activities.

In reply, Mr. Gunn pointed out that Insurers are really not interested in this type of business. Compared with the other two or three (and "trade only" scheme premiums reflect the Insurers ability to try to recover from the grower) the G.A.'s premiums (even after a 20% increase) are still very modest indeed. In his own view, the fact that the Association is Perth-based and has numerous local Members strongly influenced the G.A. to devise the Scheme. The take-up rate is seen as reflecting lack of real demand, albeit this in turn results from a low profit phase in the trading cycle.

Mr. Gunn explained that from experience with a scheme in the licensed trade, the G.A. would be unlikely to agree to removal of the exclusivity of SPTA's Scheme. He also pointed out that a change to a "trade-only" scheme would have a very divisive effect on Association Membership. Mr. Blackmore asked whether an increase in "Excess" levels, to reduce premium levels, would encourage greater participation. Mr. Gunn felt the danger in this approach would be to upset the present balance and thus prove counter-productive.

Mr. Hunter stressed that termination of the Scheme would be regretted by Council and he was encouraged that participants generally renewed each year. He would report back to Council for further instructions and Mr. Gunn stated his willingness to meet Council and/or to make a fresh approach to the G.A. He felt the latter course, at best, would be to try to arrange for the Scheme to be given a further year's trial (hopefully armed with news of a better trading year in prospect?) and perhaps to seek the G.A.'s views and figures on the Excess question. He also revealed that most of the few claims had been for loss of profits rather than non-germination and that claims paid had not exhausted premiums received.

The meeting then concluded.