



Date: December 12, 2022
To: Mayor and Council
Author: Ryan McLeod, CPA, CA
RE: 2023 Insurance Renewal
Report No.: FS-2022-11

RECOMMENDED ACTION

1. That Administration **BE DIRECTED** to renew the Town's insurance program with Intact Public Entities Inc. for a one year period beginning January 1, 2023.

BACKGROUND

There are essentially only four major municipal insurance providers in Ontario – they are AON Reed Stenhouse Inc., BFL Canada Risk and Insurance Services Inc., MARSH Canada Limited and Intact Public Entities Inc.

In 2020, Administration worked with Dave Rikley from Programmed Insurance Brokers Inc. to conduct a formal Request for Proposal (RFP) for the Town's 2021 Insurance Program. While all four of the major insurance providers reviewed the Town's RFP documents, only two companies submitted proposals.

After an in-depth review of each proposal, the Town ultimately selected Intact Public Entities Inc.

The Town renewed its insurance program with Intact Public Entities Inc. for 2022.

DISCUSSION

For 2023, Administration continued to work with Broker Dave Rikley to secure a renewal with Intact Public Entities Inc ("Intact"). To maintain the Town's existing coverages and limits, Intact has proposed a premium of \$685,903 (plus non-refundable PST), representing an increase of \$82,784 over 2022. This insurance includes coverage for general liability, property, errors & omissions, automobile and other potential liabilities.

According to Mr. Rikley, the 13.7% premium increase is the result of a 'hard' municipal insurance market and increasing building replacement costs. The rate increase is not indicative of specific claims arising against the Town in 2022.

The "hard" market is driven by limited competition in conjunction with a general rise in municipal sector losses due to extreme weather events, increased litigation and high bodily injury awards.

While the premium increase is unfortunate, the Town's increase is on the lower end of the spectrum for Southwestern Ontario municipalities which have been experiencing increases in the range of 13 – 33%.

Through the use of in-house legal Counsel, Administration is committed to actively defending the Town from claims. Over time, this is expected to result in lower insurance premiums relative to comparable municipalities.

FINANCIAL CONSIDERATIONS

The recommended insurance package for 2023 amounts to \$685,903 (plus non-refundable PST). This represents a \$82,784 increase over 2022 and has been incorporated into the 2023 draft municipal budget.

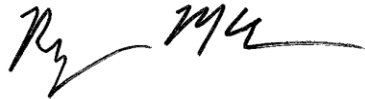
ENVIRONMENTAL CONSIDERATIONS

The Town's insurance program includes coverage for Environmental liabilities and clean up expenses.

CONSULTATIONS

Dave Rikley, FCIP,FRM, Account Executive, Programmed Insurance Brokers Inc.

PREPARED BY:



Ryan McLeod, CPA, CA
Director of Financial and IT Services

REVIEWED BY:



John Norton
CAO

LINK TO STRATEGIC PLAN

Effectively manage corporate resources and maximize performance in day-to-day operations.

Link to Council 2021-2022 Priorities

- ☐ COVID-19 and the health and safety of the community
- ☐ Customer Service: Training, Technology, Staff, Review Standards/Level of service
- ☐ Housing: Affordability (lot sizes, developer incentives, second dwellings, density, etc.)
- ☐ Greenhouse: lights & dark sky, odours (site plan compliance, bylaws, other tools)
- ☐ Programming Increase: Youth and Seniors
- ☐ A development plan for Downtown Kingsville / Main Street
- ☐ Financial savings: Schools closings, Migration Hall
- ☐ Economic Development: strengthen tourism/hospitality

- ☐ COVID - economic recovery
- ☐ Communications: Strategy – Policy (social media), Website refresh and other tools, Public engagement
- ☐ Housing: Migrant Worker Housing – Inspections (Building/Fire), regulate, reduce, or increase
- ☐ Committees / Boards: Review and Report
- ☐ Policy Update: Procedural Bylaw
- ☐ Economic Development: diversify the economy, create local jobs, industrial, Cottam
- ☐ Infrastructure (non-Municipal): Union Water expansion & governance
- ☐ Infrastructure (Municipal): Asset Management Plan update, the infrastructure funding deficit
- ☒ No direct link to Council priorities