



Date: December 11, 2023
To: Mayor and Council
Author: Ryan McLeod, Director of Finance and Corporate Services
RE: 2024 Insurance Renewal
Report No.: FS-2023-17

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, 2024.

BACKGROUND

In 2020, Administration worked with Dave Rikley from Programmed Insurance Brokers Inc. to conduct a formal Request for Proposal (RFP) for the Town's Insurance Program. While all four of the major municipal insurance providers reviewed the Town's RFP documents, only two companies submitted proposals. After an in-depth review, the Town ultimately selected Intact Public Entities Inc. ("Intact") for its 2021 insurance program and has continued to renew with Intact for the previous 2 years.

The annual renewal process requires Administration to respond to detailed questionnaires and provide up-to-date asset listings. The Insurance company will adjust its premiums based on a number of factors, including; loss history, asset values and changing risk factors which may or may not be within the control of the municipality.

DISCUSSION

For 2024, Administration continued to work with Broker Dave Rikley to secure a renewal with Intact. To maintain the Town's existing coverages and limits, Intact has proposed a premium of \$769,139 (plus non-refundable PST), representing an increase of \$73,235 over 2023. This insurance includes coverage for general liability, property, errors & omissions, automobile and other potential liabilities.

According to Mr. Rikley, the 10.7% premium increase is a primarily function of rising property replacement values, additional fleet vehicles, and poor automobile loss experience in recent years.

As the Town is currently the defendant of a few significant open claims, Administration does not recommend pursuing a full RFP for insurance services at this time. Further, every time the Town changes insurance providers, it exposes the municipality to the risk of creating uninsured “gaps” as each provider has different policies with respect to coverage details.

FINANCIAL CONSIDERATIONS

The recommended insurance package for 2024 amounts to \$769,139 (plus non-refundable PST). The \$73,235 increase over 2023 and has been incorporated into the 2024 draft municipal budget.

ENVIRONMENTAL CONSIDERATIONS

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

CONSULTATIONS

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