



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Donna White
DATE: 18/12/2017
SUBJECT: 2018 Insurance Renewal
ATTACHMENTS: 2018 Summary of Proposed Coverages

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby accepts the Municipal Insurance Program Renewal Proposal from BFL Canada for the period of January 1, 2018 to January 1, 2019 at a total cost of \$181,376.60 (\$169,401.00 plus PST of \$11,975.60).

EXECUTIVE SUMMARY

A Summary of Proposed Coverages, Limits, Deductibles and Premiums which is an excerpt from the Proposal is attached to this report. If any members of council wish to review the full proposal document, please contact the Director of Finance. Details of changes in the premium are listed as follows:

Municipal Liability	Premium has increased as a result of increased costs of claims (in general) across the Province	\$1,807.00
Property	Premium has increased Scheduled Property Values from \$59,005,024 to \$61,554,313 – values of all buildings, contents and equipment have been adjusted by 3% to reflect inflation	\$2,649.00
Automobile	Premium has decreased by slightly due to a change in the breakdown of vehicle class and vehicle count decrease from 35 to 34	\$(392.00)
Total Change		\$4,064.00

DISCUSSION

The overall increase proposed for the 2018 Renewal is \$4,064.00 plus PST which is summarized above. BFL Canada has advised that premiums for all municipalities in general are continuing to rise under all sections of coverage. The increases are driven in claims trending upwards. The continuous unresolved issue of Joint and Several Liability has resulted in losses reaching the reinsurance level. Many municipalities are increasing their deductibles to offset premium increases and this option will be reviewed as part of a future RFP.

There are a number of recommended improvements/changes in coverage which Include:

- Cyber Liability
- Volunteer Accident
- Municipal Officials' Critical Illness
- Municipal Officials' Out of Province
- Volunteer Fire Fighter Accident
- Owner Controlled Insurance Program – Construction Projects

Note : For the 2017 Renewal, council approved increasing the total Liability limit to \$50,000,000 (\$25,000,000 Excess of \$25,000,000 underlying policies at an additional cost of \$3,000.00).

Environmental Liability for the Wingham Landfill is excluded until reports show the prevention protocols are in place and that the leaching is improving. The 2018 Draft Budget includes \$26,457.00 to address this matter.

FINANCIAL IMPACT

The total premium cost, in the amount of \$181,376.60 (\$169,401.00 plus PST of \$11,975.60) will be included in the 2018 Draft Budget and allocated by department. The total 2017 Premium was \$173,716.12 (\$162,337.00 plus PST of \$11,379.12)

FUTURE CONSIDERATIONS

An Insurance RFP will be conducted in the fall of 2018.

RELATIONSHIP TO STRATEGIC PLAN

Goal #4 – Our administration is fiscally responsible and strives for operational excellence.



Donna White, Director of Finance



Dwayne Evans, CAO