



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Donna White, Director of Finance
DATE: 09/07/2018
SUBJECT: Insurance RFP Results
ATTACHMENTS:

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby receives the report from the Director of Finance in regard to the Insurance RFP # 01-2018 for the Township of North Huron;

AND FURTHER THAT, the Council accepts the proposal from AON Reed Stenhouse Inc. to provide a General Insurance and Risk Management Program for the Corporation of the Township of North Huron for the term of January 1, 2019 to January 1, 2020 in the amount of \$118,878.00 plus taxes;

AND FURTHER THAT the Cyber/Breach Response option be accepted and added to the Township insurance coverage.

EXECUTIVE SUMMARY

The last Insurance RFP was conducted in 2011 with an effective date of January 1, 2012. BFL Canada was the successful firm at that time and has provided the Township with insurance coverage on an annual basis since 2012. The current policy expires on January 1, 2019.

The insurance RFP process was undertaken and completed in advance of July 27, 2018 when the 'Lame Duck' provision of council could take place. The 2018 Insurance Premium with BFL Canada was \$169,401.00 plus taxes of \$11,975.60 for a total of \$181,376.60.

DISCUSSION

RFP #01-2018 which provided for a General Insurance and Risk Management Program for the Corporation of the Township of North Huron was issued on May 18, 2018 with a due date of June 15, 2018. The RFP along with Addendums 01 & 02 were sent to four major municipal insurance companies and posted on the Township web site. The effective term is January 1, 2019 to January 1, 2020. This term may be extended subject to satisfactory price, performance and service. The RFP was based on the current insurance provisions and included inventory schedules for property, machinery and equipment, and fleet.

The RFP outlined the evaluation criteria as follows:

Evaluation Criteria
Completeness of submission and project appreciation
Experience
Services Offered
Proponent's Financial Statements/Stability
References (Minimum 3)
Price

Four submissions were received by the due date on June 15, 2018. The RFP's were opened on June 18, 2018 at 4:00 p.m. by the Director of Finance and the CAO.

Positive References were received for all four companies. There were some minor deviations and enhancements offered by the various proponents. In addition, the companies offered various value added services such as risk management. These value added services were considered as part of the scoring process. All applicable proposals included a Transition Plan.

The prices submitted are as follows:

AON Reed Stenhouse Inc.	\$118,878.00
BFL Canada	\$134,425.00
Frank Cowan	\$164,952.00
Jardine Lloyd Thompson Canada Inc.	\$119,709.00

Note: Excluding Taxes

AON Proposal

Coverages presented in the AON proposal followed the requirements outlined in the RFP. The proposal review took into account program enhancements and variations. The AON enhancements were considered by staff to be beneficial to the Township given the wide range of services and programs offered by North Huron.

One of the reference municipalities supplied by AON, had their RFP proposals reviewed and evaluated by an independent firm providing insurance consulting services. This firm recommended AON as the successful proponent and the municipality has been pleased with the services provided.

AON is a worldwide company that manages the insurance and risk portfolio of over 700 municipalities in Canada. Nationally AON has developed an airport liability program which provides risk management and insurance services to over 350 airports in Canada.

AON has committed to smooth transition and their goal is to make the process as easy as possible for their clients. They offer a number of Risk Management Services including seminars and workshops. They will conduct a half day risk assessment workshop to assist in identifying some the Township's top risks. As well, they will deliver a minimum of 2 training sessions per year on mutually agreed upon topics and will offer a full day driver training program for motor vehicle fleet operations.

Currently the airport owners/operators insurance for the Richard LeVan Airport is purchased through McDonagh Insurance Brokers. The coverage is provided by AON Risk Solutions and the current policy period is from April 1, 2018 to April 1, 2019. Prior to the next renewal date, staff will investigate the possibility of including this coverage with the rest of the AON municipal coverage for the January 1/2019 start date.

One of the options outlined in the proposal is for Cyber/Breach Response which is available at an additional premium of \$5,595.00 plus taxes. Cyber threats are an increasing concern and staff are recommending that this option be accepted.

FINANCIAL IMPACT

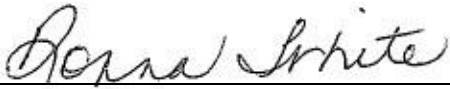
The current insurance expense included in the 2018 Budget is \$169,401.00 plus taxes and therefore this proposal will result in savings of \$50,523.00 plus taxes for the 2019 Budget. If Council accepts the staff recommendation and includes cyber coverage, the total savings would be \$44,928.00 plus taxes.

FUTURE CONSIDERATIONS

The effective date is January 1, 2019 and the total amount will be included in the 2019 budget.

RELATIONSHIP TO STRATEGIC PLAN

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



Donna White, Director of Finance



Dwayne Evans, CAO