



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Donna White
DATE: 05/12/2016
SUBJECT: 2017 BFL Insurance Renewal Proposal
ATTACHMENTS: Summary of Proposed Coverages, Limits, Deductibles and Premiums

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, 2017 to January 1, 2018 at a total cost of \$173,716.12 (\$162,337.00 plus PST of \$11,379.12).

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 Treasurer. Details of changes in the premium are listed as follows:

Municipal Liability	Premium has increased by \$3,456.00 as a result of increased costs of claims (in general) across the Province
Property	Premium has increased by \$390.00 due to Scheduled Property Values increased from \$58,766,476 to \$59,005,024 – values of all buildings, contents and equipment have been adjusted by 3% to reflect inflation
Automobile	Premium has decreased by \$2,160.00 due to a change in the breakdown of vehicle class and vehicle count decrease from 38 to 35
Total Change	\$1,686.00 plus PST

DISCUSSION

The overall increase proposed for the 2017 Renewal is \$1,686.00 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:

- 2nd Excess Liability **
- Cyber Liability
- Owner Controlled Insurance Program
- Municipal Officials' Critical Illness
- Volunteer Fire Fighter Accident

** BFL suggests that the municipality consider increasing their total Liability limit to \$50,000,000 (\$25,000,000 Excess of \$25,000,000 underlying policies) for an additional annual premium of \$3,000.00. This option should be considered as part of a future RFP.

FINANCIAL IMPACT

The total premium cost will be included in the 2017 budget and allocated by department.

FUTURE CONSIDERATIONS

It would be beneficial to work with Morris-Turnberry in 2017 on the issuance of a Joint Insurance RFP with an effective date of January 1, 2018.

RELATIONSHIP TO STRATEGIC PLAN

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

Donna White, Treasurer

Sharon Chambers, CAO