



MUNICIPALITY OF **West Elgin**

Staff Report

Report To: Council Meeting
From: Magda Badura, CAO/Treasurer
Date: 2023-12-21
Subject: 2024 Municipal Insurance Renewal

Recommendation:

That West Elgin Council hereby receives the report from M. Badura CAO/Treasurer, re: 2024 Insurance Programs as set out in the renewal documents provided by Intact Public Entity dated Dec. 18, 2023.

Background:

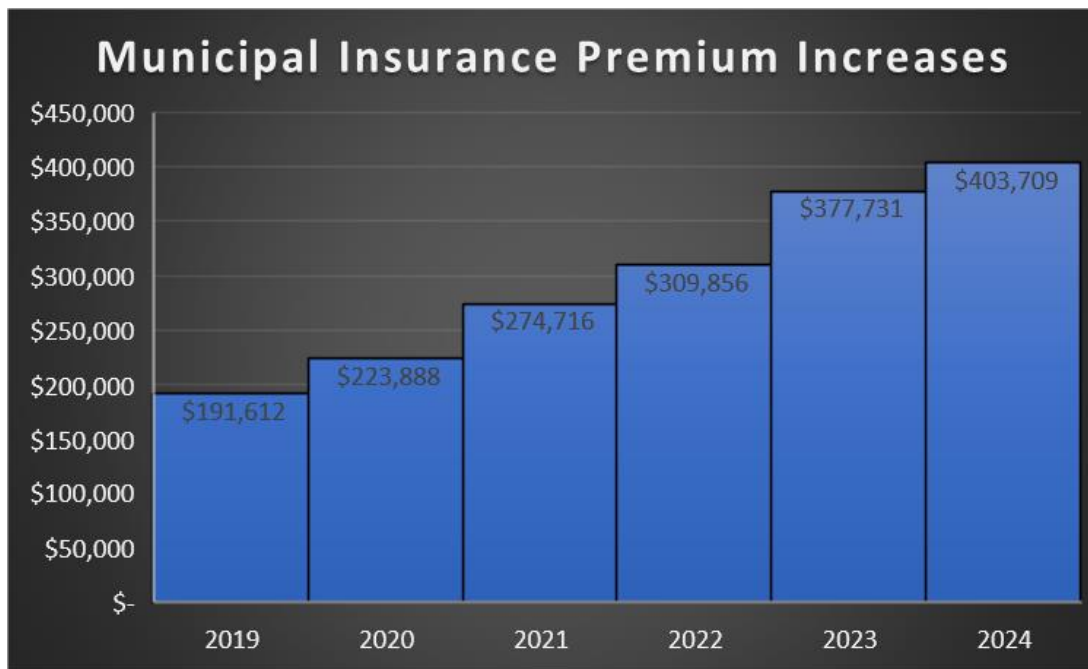
The Municipality's comprehensive insurance program is provided by Intact Public Entities (formerly Frank Cowan Insurance). Attached to this report is the policy renewal information for 2024. Historically, staff have met with Aran Myers, Regional Manager to review the renewal documents, obtain additional information on the increase in premiums and explore options to contain costs. Unfortunately, staff received the attached renewal documents very close to our council agenda consolidation date, so staff have not been available to meet with Mr. Myers, but since there are no significant changes to our coverage, we are comfortable recommending approval. If Council so desires, Mr. Myers can make himself available at a future date if Council has any questions about the Municipality's insurance program and coverage provided by Intact Public Entity.

Financial Implications:

The current policies expire December 31, 2023. A copy of the proposal for coverage from January 1, 2024 to December 31, 2024 for the Municipality of West Elgin is attached in Appendix "A".

The Municipality renewal contains a summary of the costs for insurance coverage. Most of the increase of \$25,978 or 6.87% is due to the General Liability component. This is the largest component of the premium and is showing an increase of \$10,771 or 5%. The General Liability component is greatly affected by the hard market and the Municipality's past claims experience, although this was much lower than anticipated. Property coverage is showing an increase of \$10,763 or 13%, largely attributed to inflation applied to building values. The automobile policy is also up by \$3,314 or 9%. This is due to a combination of increased values. Other components are having a minor impact on the overall increase.

Following is a chart illustrating the costs for the Municipal Insurance Program since 2019.



Following is a detailed breakdown by insurance line.

Cost Analysis

	Expiring Program Term	Renewal Program Term
Casualty		
General Liability	\$ 215,417	\$ 226,188
Errors and Omissions Liability	7,649	8,031
Non-Owned Automobile Liability	216	216
Environmental Liability	3,197	3,357
Crime	836	836
Board Members Accident	335	335
Volunteers' Accident	541	541
Conflict of Interest	455	455
Legal Expense	2,124	2,124
Cyber	15,000	15,000
Facility User Solution	1,000	1,000
Property		
Property	82,359	93,122
Equipment Breakdown	3,314	3,272
Automobile		
Owned Automobile	36,820	40,134
Owned Automobile – Transit	4,534	4,925
Excess		
Follow Form- 1 st layer	3,934	4,173
Total Annual Premium	\$ 377,731	\$ 403,709
(Excluding Taxes Payable)		

While increased costs are not desirable, the Municipality has limited options when it comes to municipal insurance. Experience has shown that shopping coverage, while sometimes initially beneficial, often does not lead to long-term savings. Currently the few municipalities that are issuing RFP's for coverage are seeing limited interest, with often just the incumbent and possibly one other proposal being submitted. These proposals are also seeing significant increases in cost as well. Locally, municipalities have discussed options to work together on joint RFP's for insurance coverage. Based on the excellent support and service provided by Intact Public Entity and the many risk reduction and risk management services that are provided as part of the insurance program, staff would recommend renewal of the Insurance Program for 2024, as proposed. In the past, deductible level was increased to \$15,000. This generated some immediate savings and should be beneficial over the long-term if claims remain minimal. While the deductible could be further increased, staff are not recommending a further increase at this time. The additional savings would be minimal for the added risk. As of this year, all Insurance Reserves have been depleted to help mitigate large increases in the past.

Financial Implications:

The increased insurance costs will put upward pressure on the Municipality Tax Levy of approximately \$25,978. This would translate into an increase to the levy less than 1%.

Respectfully submitted by,

Report Approval Details

Document Title:	2024 Municipal Insurance Renwal - 2023-42-Administration Finance.docx
Attachments:	- Appendix A - Municipal Insurance.pdf
Final Approval Date:	Dec 18, 2023

This report and all of its attachments were approved and signed as outlined below:

Terri Towstiuc