



MUNICIPALITY OF  
**West Elgin**

**Staff Report**

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**Report To:** Council Meeting  
**From:** Magda Badura, CAO/Treasurer  
**Date:** 2024-12-19  
**Subject:** 2025 Municipal Insurance Renewal

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**Recommendation:**

That West Elgin Council hereby receives the report from M. Badura CAO/Treasurer, re: 2025 Municipal Insurance Renewal as set out in the renewal documents provided by Intact Public Entity dated November 26, 2024; and That West Elgin Council approves payment of the annual premium in the amount of \$410,877.00 plus applicable taxes.

**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 2025. 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 the meeting and 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.

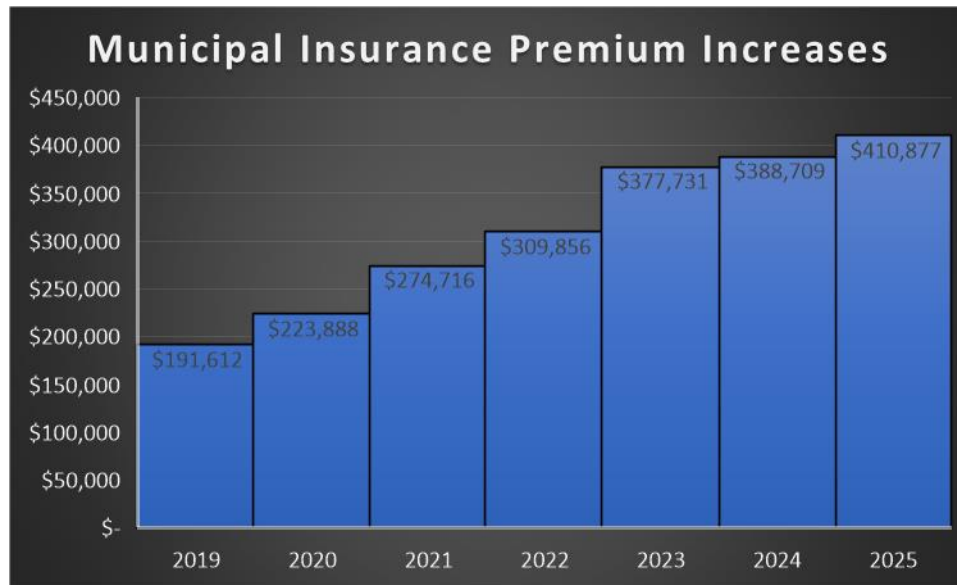
**Financial Implications:**

The current policies expire December 31, 2024. A copy of the proposal for coverage from January 1, 2025 to December 31, 2025 for the Municipality of West Elgin is attached.

The Municipality renewal contains a summary of the costs for insurance coverage. Most of the increase of \$18,884 or 4.82% is due to the Property Liability component of the premium showing an increase of 10% or \$9,902 that is being influenced by both local and global factors, such as natural disasters and climate change. Hurricanes, wildfires, floods, and other natural disasters have become more common and intense, leading to higher claims payouts. Rising construction costs and higher number of small claims and inflation is also contributing to rate increases.

The general liability component of the premium shows an increase of \$7,797 or 3%. The General Liability component is greatly affected by the hard market and the Municipality's past claims experience. Other components are having a minor impact on the overall increase.

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



The following is a detailed breakdown by insurance line.

## Cost Analysis

	Expiring Program Term	Renewal Program Term
<b>Casualty</b>		
General Liability	\$ 226,188	\$ 233,985
Errors and Omissions Liability	8,031	8,272
Non-Owned Automobile Liability	216	216
Environmental Liability	3,357	3,494
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	N/A
Facility User Solution	1,000	1,000
<b>Property</b>		
Property	96,409	106,311
Equipment Breakdown	3,272	3,436
<b>Automobile</b>		
Owned Automobile	40,134	40,534
Owned Automobile – Transit	4,922	5,040
<b>Excess</b>		
Follow Form	4,173	4,298
<b>Total Annual Premium</b>	<b>\$ 406,993</b>	<b>\$ 410,877</b>
(Excluding Taxes Payable)		

Although rising costs are never desirable, the Municipality faces limited options when it comes to securing municipal insurance. Past experience has demonstrated that shopping for coverage, while occasionally providing short-term benefits, rarely results in sustainable long-term savings.

Technically, there are four companies offering municipal insurance; however, only two remain viable options. AON has significantly reduced its presence in the municipal sector, dismantling its Public Sector program and retaining less than 5% of the municipal client market share in Ontario. BFL is similarly struggling, with renewal terms becoming increasingly difficult to offer and a market share of less than 10%. Marsh, another provider, has seen a record number of former clients return to us within the past 24 months, citing inadequate service. Marsh lacks a dedicated municipal team and relies on just two or three individuals to manage their entire Ontario program, in addition to other responsibilities. As a result, clients often find themselves burdened with more administrative work once Marsh takes over their policies.

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 2025, as proposed. In the past, deductible levels 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 last year, all Insurance Reserves have been depleted to help mitigate large increases in the past.

#### **Financial Implications:**

This year, municipal insurance increases are more aligned with inflation and appear more reasonable compared to previous years. However, it is important to note that since 2019, our insurance rates have increased by 114%, creating significant upward pressure on operating budgets.

Respectfully submitted by,

Magda Badura  
CAO/Treasurer

**Report Approval Details**

Document Title:	2025 Municipal Insurance Renewal - 2024-55-Administration Finance.docx
Attachments:	- Appendix A - Municipal Insurance.pdf - 21770 - Report 2025.pdf - 21770 - Report Attachments 2025.pdf
Final Approval Date:	Dec 16, 2024

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

Terri Towstiuć