

To:	Warden Hicks and Members of Grey County Council
Committee Date:	December 20, 2018
Subject / Report No:	FR-CW-01-19
Title:	2019 Insurance Renewal
Prepared by:	Kevin Wepler, Director of Corporate Services
Reviewed by:	Kim Wingrove, CAO
Lower Tier(s) Affected:	
Status:	Recommendation adopted by the Committee of the Whole as presented as per Resolution <i>CW02-19</i> ; Endorsed by Council on January 10, 2019 as per Resolution <i>CC09-19</i> .

Recommendation

1. That Report FR-CW-01-19 regarding the 2019 Insurance Renewal be received; and
2. That a Request for Proposal for the County's 2020 Municipal General Insurance and Risk Management Services Program be issued in 2019.

Executive Summary

- Annual renewal of the County's Municipal Insurance Program.
- Positive renewal for 2019.
- Procure the County's 2020 Municipal General Insurance and Risk Management Services Program in 2019.

Background and Discussion

Insurance is the transfer of risk from one entity to another. The County transfers the risk of future unknown losses to its insurance company.

The cost of purchasing this transfer of risk is the insurance premium that is paid annually to the insurance company. The County purchases or insures several areas of coverage including Casualty (General Liability), Property, Automobile and Excess, and new for 2019 Cyber Liability.

Grey County has contracted its municipal insurance program with the Frank Cowan Company Limited since 2009. For the years 2004 to 2008 the County participated in the Ontario Municipal Insurance Exchange (OMEX) Reciprocal Insurance Program. Previous to this period of time the County participated from 1999 to 2007 under the Rural Ontario Municipal Association (ROMA) Special Underwriting Group (SUG) Reciprocal Insurance Program. Under these Reciprocal Agreements, members are eligible to receive a portion of surplus premiums, if they exist, and are responsible for paying a supplementary

assessment, if underwriting periods have deficits.

The purpose of this report is to advise Council on the costs relating to the County's 2019 insurance policy renewal with the Frank Cowan Company. Staff met with the County Insurance Broker, Nicol Insurance to review the 2019 insurance renewal and any changes to the insurance program.

As per the Renewal Report, the total cost of the Frank Cowan Company insurance renewal for 2019 excluding taxes equals \$1,121,788. This compares to the 2018 annual premium of \$1,245,975 or a decrease of \$124,187.

The County has had positive renewal experiences for the past five years as a result of work done by staff in managing risk, as well as the County having a positive loss ratio.

Year	Total Premium
2014	\$1,179,694
2015	\$1,199,760
2016	\$1,198,387
2017	\$1,208,906
2018	\$1,199,360
2019*	\$1,121,788

*Includes addition to the Administration Building, the Business Innovation Hub (Sydenham School) and Cyber Liability.

County staff is currently quite satisfied with the insurance program and services that the Frank Cowan Company provides. As well, the Frank Cowan Company provides program coverage enhancements to the County such as a 25-year true replacement cost on fleet and other enhancements that are appreciated. In saying this, the County currently is in a good position to market the County's insurance needs as the County has been fortunate to have a positive loss ratio over the past five years.

Legal and Legislated Requirements

None

Financial and Resource Implications

The 2019 budget has been drafted utilizing the 2019 insurance renewal that was received on December 4, 2018.

Relevant Consultation

Internal – CAO and Finance

External (list)

Appendices and Attachments

None