

To:	Warden Halliday and Members of Grey County Council
Committee Date:	January 25, 2018
Subject / Report No:	FR-CW-06-18
Title:	2018 Insurance Renewal
Prepared by:	Kevin Wepler, Director of Finance
Reviewed by:	Kim Wingrove, CAO
Lower Tier(s) Affected:	County wide initiative
Status:	Recommendation adopted by Committee as presented per Resolution CW48-18; Endorsed by Council February 8, 2018 per Resolution CC24-18;

Recommendation

1. That Council receive Report FR-CW-06-18 titled 2018 Insurance Renewal for information

Executive Summary

- Annual renewal of the County's Municipal Insurance Program.
- Positive renewal for 2018.

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.

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 2018 insurance policy renewal with the Frank Cowan Company. Staff met with the County Insurance Broker, Nicol Insurance to review the 2018 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 2018 excluding taxes equals \$1,199,360. This compares to the 2017 annual premium of \$1,198,741 or a increase of \$619.

The County has had positive renewal experiences for the past four years.

Year	Total Premium
2014	\$1,178,517
2015	\$1,199,760
2016	\$1,209,368
2017	\$1,198,741
2018	\$1,199,360

Legal and Legislated Requirements

None

Financial and Resource Implications

The 2018 budget was drafted with an estimated insurance premium increase of 1%. Based on the 2018 Renewal Report and the reported annual premium of \$1,199,360, plus applicable taxes, a 2018 budget surplus of \$10,740 is anticipated.

Relevant Consultation

Internal

External – Nicol Insurance Inc., the County's Insurance Broker, met with County staff and reviewed the 2018 Insurance renewal. Discussion also took place on cyber risk insurance coverage and unmanned aerial vehicle coverage.

Appendices and Attachments

None