

TO: Mayor Avis & Members of Council
FROM: Dawn Galusha, Deputy Treasurer
DATE: October 5, 2016
SUBJECT: Renewal of Municipal Insurance 2016-2017

BACKGROUND

Attached please find the renewal premium from Frank Cowan Company for the period November 1, 2016 to November 1, 2017. The renewal offer of September 13, 2016 is \$186,240 plus applicable taxes, reflecting an increase in premium of 2.4% over the expiring premium.

Since the 2015-2016 coverage term was the first one with Frank Cowan Company for several years, a representative from their Risk Management Department undertook inspections of several of the Town properties. These inspections resulted in changes to the coverage on most properties to properly reflect replacement value. The result was a 4.2% overall increase in the property limit. In addition, Frank Cowan Company placed a 2% inflationary increase on the previously presented valuation on buildings that were not inspected, based on StatsCan inflation. In summary, the building limits increase by \$5,071,698 after inspection and the property premium increased by \$2,138 due to increase property values. Also, the equipment breakdown premium increased by \$223 due to increased property values. The General Liability is up \$1,893 due to trends. This increase is below average across Cowan municipal book of business. The change in auto is \$58 due to inflation.

Another consideration which administration is reviewing is coverage of street lighting and poles. In the renewal offer, Frank Cowan Company has proposed an additional premium of \$2,039 for a valuation of \$1,058,500. This is currently being reviewed by Gillon's Insurance as it does not cover the poles.

Administration is seeking Council's acceptance of the renewal offer.

<p>Council Approval of This Report Will approve the Administration & Finance Executive Committee's recommendation to renew the Municipal Insurance with Frank Cowan Company for the period November 1, 2016 to November 1, 2017 in the amount of \$186,240 plus applicable taxes.</p>

Cost Analysis

	Expiring Program Term	Renewal Program Term
Casualty		
General Liability	\$ 54,096	\$ 55,989
Errors and Omissions Liability	6,820	6,820
Non-Owned Automobile Liability	189	189
Environmental Liability	9,065	9,065
Crime	1,250	1,250
Board Members Accident	434	434
Conflict of Interest	420	420
Legal Expense	1,500	1,500
Property		
Property / Data Processing	73,537	75,675
Equipment Breakdown	7,722	7,945
Automobile		
Owned Automobile	21,845	22,653
Garage Automobile	800	800
Excess		
Excess Automobile	750	N/A
Follow Form	3,500	3,500
Total Annual Premium	\$ 181,928	\$ 186,240
(Excluding Taxes Payable)		