

To: Mayor Avis and Members of Council
FROM: Debbie Scofield/Dawn Galusha, Deputy Treasurer
DATE: October 9, 2014
SUBJECT: Renewal of Municipal Insurance 2014-2015

BACKGROUND

Attached please find the renewal premium from BFL Canada for the period November 1, 2014 to November 1, 2015, as well as the approved Treasury Report 2014/085 regarding an estimated increase of 5%. The renewal offer of October 2, 2014 reflects an increase of 3.59% over the 2013/2014 premiums.

The proposal includes Out of Province Medical coverage (travel insurance) for Council members under the age of 70, in the amount of \$750.00.

The quoted amount of \$206,754.83 (including PST) is an increase of \$7,166.03 from the 2013/14 premiums, with increases in Liability and Property.

Administration is seeking Council's direction whether to include the Out of Province Medical coverage, as well as acceptance of the renewal offer.

RECOMMENDATION

That Mayor and Council accept the Renewal of Municipal Insurance, including Out of Province Medical coverage for Elected Officials under the age of 70 as provided by BFL Canada and represented by Gillons' Insurance Brokers Ltd., for the term November 1, 2014 to November 1, 2015.

<p>Council Approval of This Report Will Agree to the recommendation of the Administration & Finance Executive Committee to accept the Renewal of Municipal Insurance, including Out of Province Medical coverage for Elected Officials under the age of 70 as provided by BFL Canada and represented by Gillons' Insurance Brokers Ltd., for the term November 1, 2014 to November 1, 2015</p>
--



Bruce Armstrong
<Bruce.Armstrong@gillons.on.ca>

02/10/2014 11:00 AM

To "dscofield@fort-frances.com" <dscofield@fort-frances.com>

cc Carrie Shouldice <Carrie.Shouldice@gillons.on.ca>

bcc

Subject Fort Frances - 2014 Renewal Proposal

Hi Debbie:

Attached is the Nov. 1st renewal offer from the BFL Canada. Carrie's comments are listed below. I am pleased to say the premium stayed within the projected guidelines. Again you and Carrie have done a wonderful job of collecting and completing the required information needed to provide this final renewal quote. If there is anything missing from any of the schedules please advise. On behalf of both Carrie and myself I would like to personally thank you for your outstanding commitment to getting the insurance portion done right year after year. I know the Town will certainly miss your dedication to excellence. Thank you it's been a real pleasure working with you.

Attached is the renewal proposal for the Town of Fort Frances for the November 1st, 2014-2015 policy term. The overall increase in premium is approximately 3.5%. Please refer to page 8 for details on the premium differences from last year. Note that the increase in premium on the Municipal General Liability is due to the overall market conditions, with respect to Municipal risks.

Attached are:

1. The vehicle and property schedules upon which the quote was based.
2. A Marine Facilities Package Application, which needs to be completed prior to binding the policy. (not all of the application is applicable to the Town and can be marked "n/a")
3. The renewal proposal.

The proposal includes a quote for the Out of Province Medical coverage for the 4 Council members, as you requested. The limits are shown on page 5 and the premium of \$750.00 is shown on page 8. The premium for this new coverage is included in the total renewal premium.

BFL also requires additional information in advance of the tank removal at 1300 Frog Creek Road (airport.) Why is the tank being removed? Who is completing the removal? And the removal dates.

If you would like a quote with different deductible options, please let us know. Pages 9 and 10 also advise of optional improvements/changes to the policy coverages, including the User Facility Program.

If you have any questions or concerns, please contact me or Bruce right away. We look forward to receiving renewal instructions and will request that the policy renewal documents and certificates be issued at that time.

Thank you and have a great day.

Carrie Shouldice BA, CAIB, CIP
Service Team Manager – Business Insurance

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www.gillons.on.ca

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Marine Facilities Package Application - Oceanic.pdf 2014 Property Schedule - Fort Frances.xls



2014 Vehicle Schedule - Fort Frances.xls 2014 Renewal Proposal - Fort Frances.pdf

BFL MAKES A DIFFERENCE

**Municipal Insurance Program
Renewal Proposal**

The Corporation of the Town of Fort Frances

For the period
November 1, 2014 to November 1, 2015



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1. INTRODUCTION

It is with pleasure that **BFL CANADA** presents the **Corporation of the Town of Fort Frances** with the following Municipal Insurance Program Renewal Proposal.

Please review this document carefully and contact our representative, if you have any questions or comments.

Thank you for your business. We look forward to being of further service to you.



2. SUMMARY OF PROPOSED COVERAGES, LIMITS, DEDUCTIBLES AND PREMIUMS

SUMMARY OF COVERAGES	LIMITS AND DEDUCTIBLES	
MUNICIPAL LIABILITY	\$	25,000,000 (no annual aggregate)
Including:		
Tenants Legal Liability		
Incidental Medical Malpractice		
Abuse/Molestation		
Third Party Deductible, including expenses	\$	10,000 per occurrence
Sewer Back Up Deductible, including expenses	\$	10,000 per claimant
LEGAL EXPENSE FOR STATUTE LAW	\$	100,000 per action
	\$	500,000 aggregate
Deductible		NIL
WRONGFUL DISMISSAL LEGAL EXPENSE	\$	250,000 per action
	\$	500,000 aggregate
Deductible	\$	5,000 per action
FOREST FIRE FIGHTING EXPENSE	\$	1,000,000 per occurrence
	\$	2,000,000 aggregate
Deductible	\$	10,000
MEDICAL EXPENSE	\$	25,000 any one person
Deductible	\$	2,500 per person
VOLUNTARY COMPENSATION	\$	50,000 per claim
	\$	250,000 annual aggregate
Deductible		NIL
PUBLIC OFFICIALS (ERRORS & OMISSIONS) LIABILITY	\$	25,000,000 each claim
Including:		
Municipal Employee Benefits Liability		
Deductible	\$	10,000 each claim;

SUMMARY OF COVERAGES	LIMITS AND DEDUCTIBLES	
S.P.F. 6 – NON-OWNED AUTOMOBILE	\$	25,000,000 any one accident
Deductible		NIL
SEF 94 Legal Liability for Non-Owned Vehicles	\$	250,000 per vehicle
Deductible	\$	1,000 per vehicle
MARINA LIABILITY	\$	25,000,000 per occurrence
Deductible		\$10,000 per occurrence
OWNED AUTOMOBILE – Third Party Liability	\$	25,000,000 per occurrence
All Perils Deductible	\$	5,000 per vehicle
* Replacement Cost on all vehicles unless otherwise stated		
ENVIROMENTAL IMPAIRMENT LIABILITY	\$	5,000,000 each loss
	\$	5,000,000 aggregate
Deductible	\$	10,000 each loss
* No Retro-Active Date		
COMPREHENSIVE CRIME INSURANCE		
Employee Dishonesty Form A	\$	1,000,000
Loss of Money/Security Inside the Premises	\$	200,000
Loss of Money/Security Outside the Premises	\$	200,000
Money Orders & Counterfeit Paper Currency	\$	200,000
Depositors Forgery	\$	1,000,000
Audit Expenses	\$	200,000
Computer Fraud	\$	200,000
Deductible		NIL

COMBINED PHYSICAL DAMAGE BROAD FORM	LIMITS AND DEDUCTIBLES	
Blanket Limit	\$	118,114,100
Property of Every Description	\$	121,916,630
Boiler & Machinery – Limit Per Accident	\$	50,000,000
Valuable Papers	\$	500,000
Extra Expense	\$	500,000
Accounts Receivable	\$	500,000
Business Income including Rental Income	\$	652,530
Media/Computers/Electronic Data Processing	\$	1,600,000
Fine Arts	\$	50,000 (\$5,000 per item limit)
Fine Arts on Loan	\$	150,000 Item on loan at Museum/Library (\$5,000 per item limit)
Expediting Expenses	\$	500,000
Contamination – Ammonia, Hazardous Substance (including PCB)	\$	500,000
Professional Fees	\$	500,000
Pollutant Clean Up and Removal	\$	50,000
Fire Suppression System Recharge	\$	25,000
Growing Plants, Trees, Shrubs or Flowers in the Open	Included	(\$10,000 per item including debris removal)
Personal Property of Officers and Employees	Included	(\$5,000 per Officer/Employee)
Water Damage	Included	
Building Damage by Theft	Included	
Debris Removal	Included	
Increased Costs Repairs – Laws & By-Laws	Included	
Consequential Damage – Premises Power Protection	Included	
New Generation	Included	
Inflation Protection	Included	
Exhibition Form/Waterfront Sign	Included	
Deductibles	\$	10,000 per claim except
	\$	1,000 applies to Computer/EDP
	\$	1,000 applies to Fine Arts
	\$	2,500 applies to Fine Arts on Loan
	\$	25,000 applies to Anaerobic Digestors
	\$	5,000 applies to Pollutant Clean Up & Removal
	\$	2,500 applies to Fire Suppression System Recharge
	\$	50,000 applies to Flood
	3%	of Total Loss or \$100,000 min., whichever is greater, applies to Earthquake

MUNICIPAL OFFICIALS ACCIDENT**LIMITS AND DEDUCTIBLES**

Principal Sum \$ 250,000 applies on a 24 Hour Basis

Limits as outlined in Coverage Description

Coverage applies to 7 (Seven) Council Members and Staff Members

OUT OF PROVINCE MEDICAL

Medical Reimbursement Expense Benefit \$ 1,000,000 Any one Accident
Coverage applies to 4 (Four) elected Council members under the age of 70. Coverage is limited to a maximum duration of 15 days with respect to any one Trip.

RENEWAL PREMIUM: 2014-2015

Annual Premium, as per preceding coverage description:	\$193,739.88
Provincial Sales Tax:	<u>\$13,014.95</u>
Total Annual Cost, including P.S.T.:	\$206,754.83

NOTE: Limits of Liability are comprised of \$5,000,000 Primary with \$20,000,000 Excess. Aggregate limit of \$20,000,000 applies to Products-Completed Operations.

Policies supercede the summaries of insurance contained herein

This quotation has been provided by BFL CANADA Risk and Insurance Services Inc., who is permitted to confirm coverage terms, limits, deductibles, and premiums under a binding authority agreement with the following insurance carriers:

1) AIG Insurance Company of Canada (100%)

Municipal General Liability, Public Officials (Errors & Omissions) Liability, Legal Expense (including Conflict of Interest and Wrongful Dismissal), Municipal Employee Benefits Liability, Marina Liability, SPF 6 – Standard Non-Owned Automobile, Owned Automobile, Comprehensive Crime, Combined Physical Damage Broad Form, including Boiler and Machinery

2) Ace INA Insurance (100%)

Environmental Impairment Liability

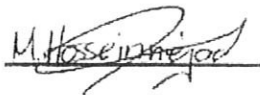
3) Certain Underwriters at Lloyds (100%)

Follow Form Excess Liability

4) SSQ Insurance Company Inc.(100%)

Municipal Officials' Accident and Out of Province Medical

Authorized Signature



Mahsa Hosseinnejad, BA, RIBO, CAIB
Client Service Manager
BFL CANADA Risk and Insurance Services Inc.

Date: October 2, 2014

3. PREMIUM BREAKDOWN

Please find attached the following premium breakdown:

1. Premium Breakdown per Line of Coverage
2. Property Premium Breakdown
3. Vehicle Premium Breakdown

PREMIUM BREAKDOWN BY LINE OF COVERAGE

NAME OF INSURED: Town of Fort Frances

POLICY PERIOD: November 1, 2014 to November 1, 2015

LINE OF COVERAGE	2013 PREMIUM	2014 PREMIUM	2014 DIFFERENCE IN PREMIUM
Municipal General Liability (includes Public Officials Liability, Employee Benefits Liability, Legal Expense Insurance, Marina Liability and Non-Owned Automobile	\$ 70,000	\$ 73,791	\$ 3,791
Excess Liability	\$ 4,200	\$ 5,000	\$ 800
Environmental Impairment Liability	\$ 7,000	\$ 7,000	\$ -
Crime	\$ 600	\$ 600	\$ -
Owned Automobile	\$ 31,179	\$ 31,053	\$ (126)
Property (includes Boiler & Machinery and Computer / EDP / Media)	\$ 72,997	\$ 74,370	\$ 1,373
Municipal Officials' Accident	\$ 1,176	\$ 1,176	\$ -
Out of Province Medical	N/A	\$ 750	\$ 750
TOTAL - ALL LINES	\$ 187,152	\$ 193,740	\$ 6,588

4. CHANGES IN EXPOSURE FROM EXPIRING POLICY

AUTOMOBILE

- Total Vehicle Count remained as per expiring, 75 vehicles.
- The following changes were made to the Vehicle listing:

1988	Ford Pickup	2FTJW35H7JCB06832	<\$100,000	Delete effective Nov. 1, 2014
2014	Chev Silverado Crew Cab	3GCPCEH1EG503469	<\$100,000	Add effective Aug 21, 2014
1996	Ford Pickup	2FTEF15YXTCA50166	<\$100,000	Delete effective Nov. 1, 2014
2001	Ford Pickup	1FTNW20L61EC89612	<\$100,000	Delete effective Nov. 1, 2014
2014	Chevrolet 1500 Double Cab 4 Wheel Drive Pick Up	1GCVKPEH4EZ350774	<\$100,000	Add effective July 17, 2014
2015	Chev 2500 Crew Cab Pick Up	1GC1KUEG5FF165642	<\$100,000	Add effective Aug 8, 2014

PROPERTY

- Total Insured Values increased by the 3% to account for the cost of inflation.
- The following changes were made to the Property Schedule:

Various Locations	16,000	Added effective June 11, 2014; NO 3% increase
Riverview Cemetery	55,720	added effective 2014 renewal
Pither's Point Park Dock	0	Deleted - Dock destroyed during flooding renewal 2014

OUT OF PROVINCE
MEDICAL

- As instructed, we have provided terms for the elected Council members with respect to the Out of Province Medical coverage.

5. RECOMMENDED IMPROVEMENTS/CHANGES IN COVERAGE**2nd EXCESS LIABILITY**

We suggest the **Corporation of the Town of Fort Frances** considers increasing their total Liability limit to \$50,000,000.

\$25,000,000 Excess of \$25,000,000 Underlying policies.

**OWNER CONTROLLED
INSURANCE PROGRAM -
CONSTRUCTION
PROJECTS**

Municipalities build new Offices, Public Works Facilities and Community Centres to better serve their community. An important part of these projects is to ensure the proper insurance is in place to protect the Municipality and its interests.

The Owner Controlled Insurance Program is an effective way for a Municipality to have control over their construction project insurance requirements. As the Municipality is the entity organizing the insurance on the project, it can make sure the policies have the correct wording, coverage and limits. An OCIP includes: insurance requirements for the engineering and design professionals (architects, contractors etc), general liability (includes wrap-up liability), environmental and property insurance (course of construction and building materials).

BFL works with each Municipality to create an OCIP policy and risk management plan for their individual construction projects.

**VOLUNTEER FIRE
FIGHTER ACCIDENT**

Pays benefits to Insured Persons under the age of 80 years who suffer bodily injury as a result of an accident. The policy applies on a "While On Duty" basis ("24-Hour" coverage is available upon request).

Please see Section 6 for a full breakdown of coverage and limits.

**MUNICIPAL OFFICIALS'
CRITICAL ILLNESS**

Pays benefits to Insured Persons under the age of 70 years who suffer a "Critical Illness".

Please see Section 6 for a full breakdown of coverage and limits.

**USERS FACILITY
PROGRAM**

This policy is for the Town's facilities where third parties may rent rooms for private functions and activities. An important Risk Management step is to ensure third party renters have their own insurance when using the Town's facilities. Our Users Facility Program is a "user friendly" system which gives third party renters affordable and easily accessible insurance.

This program is not a Public Entity Insurance Program and does not replace or participate with your General Insurance Program. The User Program enhances your General Insurance Program by transferring the risk. It also offers the following advantages to both the User and the Town:

- It provides the Town with direct knowledge of the insurance protection including its terms, conditions, limitations and the financial stability of the insurer without depending upon the User to find suitable insurance.
- The User is relieved of the need and difficulties of finding acceptable insurance and of providing their own Certificate of Insurance.
- It eliminates the expensive minimum premium cost to the User for "one shot" policies.
- It eliminates the need for the Town to require a Certificate of Insurance from the Users.
- It is convenient and functional to both the Town and its Users.

6. COVERAGE DESCRIPTIONS

The pages that follow offer a brief description of coverages available to municipal entities, including some policy conditions, special features, and exclusions applicable to these lines of Insurance: (see Policy wording for actual conditions and exclusions).

Casualty Insurance Coverage

- Municipal General Liability Insurance
- Legal Expense for Statute Law (including Conflict of Interest and Wrongful Dismissal) Insurance
- Public Officials (Errors & Omissions) Liability Insurance
- Municipal Employee Benefits Liability Insurance
- SPF 6 – Standard Non-Owned Automobile Insurance
- Owned Automobile Insurance (including leased vehicles)
- Follow Form Excess Liability Insurance
- Environmental Impairment Liability Insurance
- Crime Insurance

Property Insurance Coverage

Property Insurance – Combined Physical Damage Broad Form

Accident Coverage

- Municipal Officials' Accident Insurance
- Municipal Officials' Critical Illness
- Volunteer Fire Fighters' Accident Insurance

Casualty Insurance Coverage (Risk Management)

User Facility Program

Please refer to Summary of Proposed Coverages, Limits, Deductibles and Premiums to confirm which of the above lines of coverage are included in this premium quotation.



TOWN OF FORT FRANCES

COUNCIL

Session No. 115

Resolution No. _____

Moved by *John Albanese*

Dated September 8, 2014

Seconded by *[Signature]*

THAT the report dated September 2, 2014 from D. Scofield, Deputy-Treasurer re: 2014-2015 Insurance Renewal be approved.

COMMITTEE OF WHOLE

SEP - 8 2014

ACTION *passed by consent*

TO: <u><i>D. Scofield Deputy Treasurer</i></u>
FROM: K.M. LAWSON DEPUTY-CLERK CORPORATION OF THE TOWN OF FORT FRANCES
DATE: <u><i>Sept. 15, 2014</i></u>

	Yea	Nay	Disclosure of Interest
R. Avis			
J. Albanese			
A. Hallikas			
D. Kitowski			
K. Perry			
G. Paul Ryan			
R. Wiedenhoeft			

<input type="checkbox"/> CARRIED
<input type="checkbox"/> DEFEATED
_____ MAYOR or DEPUTY MAYOR

TO: Mayor Avis & Members of Council
FROM: Debbie Scofield, Deputy-Treasurer
DATE: September 2, 2014
SUBJECT: 2014-2015 Insurance Renewal

BACKGROUND

Attached is an email from Bruce Armstrong of Gillons' Insurance and Mahsa Hosseinnjad of BFL Canada regarding the increase in Municipal Insurance for the 2014/15 term. As noted, there will be an approximate 5% overall increase in premiums, including the 3% increase in property values, which would be approximately \$9,900 more than the 2013/14 term. The formal quote will not be supplied until after BFL's mid September meeting to discuss 2015 renewals and pricing. For your information, an article from Northern Life regarding increases in Municipal Insurance rates is also attached.

On November 1, 2014, the Town will be entering the fourth year of a four-year term of insurance before a Request for Proposal must be undertaken in 2015. This does not preclude the option for the Town to issue a Request for Proposal for Municipal Insurance in any given term.

Administration is seeking Council's direction whether to proceed with a RFP before the formal quote is received from BFL Canada or to wait for the quote and proceed accordingly.

RECOMMENDATION

That the Administration and Finance Executive Committee recommends not proceeding with a Municipal Insurance RFP at this time, providing the formal quote received from BFL Canada is within range of their preliminary estimate of a five percent increase including the three percent increase in property values, over the 2013/14 term of insurance.

Council Approval of This Report Will Agree with the Administration and Finance Executive Committee's recommendation to not proceed with a Municipal Insurance RFP providing the formal quote received from BFL Canada is within range of their preliminary estimate of a five percent increase including the three percent increase in property values, over the 2013/14 term of insurance.



Bruce Armstrong
<Bruce.Armstrong@gillons.on.ca>

08/27/2014 02:51 PM

To "dscofield@fort-frances.com" <dscofield@fort-frances.com>

cc Carrie Shouldice <Carrie.Shouldice@gillons.on.ca>

bcc

Subject FW: 2014/15 Renewal - Fort Frances

Hi Debbie,

Hope your day is going well. Below is a response from the underwriter at BFL Canada to your question regarding the overall 5% increase. I believe this number would be safe to use in estimating the 2014/2015 policy term. The 5% increase is based on the expiring premium not the inception premium so all changes incorporated over the last yr. will be over and above the inception premium. Hope this makes sense. If not please call me. Thank you Debbie.

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From: Mahsa Hosseinnejad [<mailto:mhosseinnejad@bflcanada.ca>]

Sent: Wednesday, August 27, 2014 1:53 PM

To: Bruce Armstrong; Chris Sinardo

Cc: Carrie Shouldice

Subject: RE: 2014/15 Renewal - Fort Frances

Hi Bruce,

The approximate 5% overall increase would include the 3% increase in property values for the cost of inflation. However, this would not include any new property additions as the property values will affect the pricing and at this time we do not know what the values are if any.

We are meeting with our markets mid-September to discuss the 2015 renewals and their pricing. At that time we will have a better understanding of how the markets will be rating the Municipal Insurance program that is currently in place and will know what the possible increases may be.

We will get back to you once we have had our discussion with our markets.

Regards,

Mahsa Hosseinnejad, BA, RIBO, CAIB
Client Service Manager, Public Sector



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