

To: Mayor Avis and Council

FROM: Dawn Galusha, Deputy Treasurer

DATE: October 7, 2015

SUBJECT: Request for Proposal for Municipal Insurance (15-AF-18)

BACKGROUND

The above noted RFP closed at 2:00 p.m. on Tuesday, September 22, 2015. The following proposals were received and opened at that time:

Gillons' Insurance for Frank Cowan Company (Gillons')	\$196,097.44 (Including Tax)
Ontario Municipal Insurance Exchange (OMEX)	\$235,215.08 (Including Tax)

All proposals were received on time and met the requirements of the RFP bidding instructions. Attached is an RFP Requirement worksheet detailing the coverage requested in the RFP, and coverage proposed by the bidders. Both Frank Cowan Company and OMEX have met or exceeded the requested amounts. I have inquired further regarding the Incidental Garage Operations, and Frank Cowan Company will provide this coverage via O.P.F. #4, which is the same as coverage as OMEX has quoted, at no additional cost.

Gillons' and OMEX and the programs they represent have extensive municipal insurance experience. Gillon's presented a proposal that is not a reciprocal proposal, but a full risk transfer vehicle, so the Municipality will not be responsible for future retro-assessments under this program.

OMEX presented a proposal that is a reciprocal proposal whereby insurance rates simply reflect the true costs of claims. Reciprocal agreements create exposure, but the only exposure is for claims in years that you are a member of OMEX and the underwriting groups in which you participated during the membership. In this case, the Town's subscriber participation percentage would be 0.31%. For example, in the event of a \$500,000 supplementary retro-assessment under the Liability underwriting group for 2016, based on current membership and premiums, the Town's share would be \$1,550.

The Town of Fort Frances has a long history with Gillons' and they have been quick to supply insurance certificates and answers to inquiries made. Most recently we have brokered with Gillon's, with BFL being the insurance underwriter. The Town also had previous insurance provided by Frank Cowan Company and Gillons' Insurance, with a positive experience.

The price criterion was in favour of Gillons', who has the lower bid by \$39,117.64, thus OMEX's bid was 19.9% higher. Otherwise, both Gillon's and OMEX have met the primary goals for the RFP, with minimal difference in results.

RECOMMENDATION

That the Administration and Finance Executive Committee recommend to award the Request for Proposal for Municipal Insurance (15-AF-18) to Frank Cowan Company as represented by Gillon's Insurance Brokers Ltd.

Council Approval of This Report Will Agree to the recommendation of the Administration & Finance Executive Committee to award the Request for Proposal for Municipal Insurance (15-AF-18) to Frank Cowan Company as represented by Gillon's Insurance Brokers Ltd.
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