



# Staff Report to Council - for Information

**Title:** 2024 Insurance and Risk Report

**From:** Lynn Hatten, Acting Director of Corporate Services

**Date:** March 21, 2024

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## Report Purpose:

This report is for information.

## Report Summary:

Insurance premiums have increased by 8.7% from 2023. The increase in premiums is within budget.

## Background:

The County maintains a comprehensive roster of insurance programs designed and underwritten to protect the County's Property, including its premises, fixed assets, automobiles, machinery, and equipment, along with its operational risks. The latter types of covered operational event risks are far-ranging including: the risk of public liability claims for damages, professional and administrative errors and omissions, cyber events, and environmental impairment damages. Coverages are on broad form policies tailored specifically to municipalities. Note this excludes coverage for Bruce County Housing Corp., which has a separate program.

The premium cost comparison is summarized by program in the following table.

The new insurance policy year took effect January 1, 2024:

Line of Coverage	2023 Premium	2024 Premium	Change (\$)	Change (%)
Primary Liability	294,840	309,582	14,742	5.0%
Excess Liability	103,795	103,795	0	0.0%
Environmental Impairment	27,636	29,570	1,934	7.0%
Property Including Boiler	163,827	195,040	31,213	19.0%
Comprehensive Crime	2,500	2,500	0	0.0%
Automobile	164,081	192,055	27,974	17.0%
Accident (Council/Board & Volunteers)	6,530	2,680	(3,850)	(59.0%)
Cyber/Breach Response	41,115	39,542	(1,573)	(3.8%)
Facility User General Liability*	3,600	3,600	0	0.0%

Line of Coverage	2023 Premium	2024 Premium	Change (\$)	Change (%)
<b>Total</b>	<b>807,924</b>	<b>878,364</b>	<b>70,440</b>	<b>8.7%</b>

\*Facility User Liability is a deposit premium and is adjusted accordingly by Earned Premium based upon County facility usage by outside parties

**Coverage Overview:**

There were no changes to the coverage limits, provisions, deductibles/self-insured retentions or underlying conditions for this renewal. The objective was to obtain an ‘as is’ proposal and reserve a full-scale risk and coverage review in 2024 for the 2025 policy year. This strategy is discussed in further detail under the Go Forward Strategy.

The Insurance Programs details summarized are:

**Primary (Commercial General) Liability**

- Covers the County including Council, Directors, Officers, Employees and Volunteers from third party damages including bodily injury alleged to be caused by our acts of negligence. It covers all County operations and premises. It includes Administrative Errors & Omissions (E&O), Employee Benefits E&O and Incidental Medical Malpractice.

**Environmental Impairment (EI) Liability**

- Covers for third party damages claimed due to release of pollutants, contaminants not otherwise covered by the restrictive Primary Liability policy.

**Automobile Fleet**

- This provides standard automobile insurance for the County’s fleet of vehicles.

**Excess Liability**

- Provides excess third party liability coverage, attaching atop and following the underlying General and Automobile Fleet Liability coverages

**Property Including Boiler & Machinery**

- All Perils coverage (including earthquake, flood, and sewer back-up) for damages to County infrastructure: buildings, contents, tools, and non-automobile equipment and machinery. Also includes damages from malfunction of boilers and other similar apparatus.

**Comprehensive Crime**

- Included in the Property policy covering for loss of money and securities due to criminal events including Hold-up, Employee Theft, Depositors Forgery and Counterfeit Currency

**Cyber/Breach Response**

- Covers losses incurred by the County due to a Cyber/Security Breach including recovery for loss of data, business interruption as well as costs of third-party

liability claims including regulatory penalties. Includes the services of the insurer's Breach Response unit.

**Accident Insurance**

- Covers for Council members and volunteers, providing accident benefits.

**Facility User General Liability**

- Covers the County for Liability claims for damages and injuries when County facilities are provided to outside users. It is primarily utilized by the Library and Museum when they rent meeting rooms to external organizations and groups.
- Facilities usage is reported quarterly to the insurer and an earned premium is applied based upon a rate according to the type of use and number of participants in the group.

**Financial/Staffing/Legal/IT Considerations:**

In summary, on a pre-tax basis, the total premium cost has increased from \$807,924 to \$878,364, an increase of \$70,440 or 8.7%. Last year's overall premium also experienced a similar 7.9% increase over 2022.

The increase in premiums were within budget.

There is no staffing, legal or I.T. considerations associated with this report.

**Interdepartmental Consultation:**

Senior Management Team was advised of the new premiums and other considerations. Department Heads have been apprised of claim developments where applicable.

**Link to Strategic Goals and Objectives:**

None identified.

**Report Author:**

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**Departmental Approval:**

Lynn Hatten, Acting Director of Corporate Services

**Approved for Submission:**

Christine MacDonald, Chief Administrative Officer