



City of
Peterborough

To: **Members of the Committee of the Whole**

From: **Sandra Clancy, Director of Corporate Services**

Meeting Date: **December 4, 2017**

Subject: **Report CPFS17-072
Insurance Program for 2018**

Purpose

A report to recommend the approval of the Municipal Insurance Program for the City of Peterborough for 2018.

Recommendation

That Council approve the recommendation outlined in Report CPFS17-072, dated December 4, 2017, of the Director of Corporate Services as follows:

That the Municipal Insurance Program, as recommended by the City's Insurance Broker, BFL CANADA Risk and Insurance Services Inc, 181 University Avenue, Suite 1605, Toronto, Ontario, M5H 3M7, for a one year term from January 1, 2018 to December 31, 2018, be approved at an estimated cost of \$1,065,802.00 plus PST of \$64,187.36 for a total of \$1,129,989.36.

Budget and Financial Implications

An amount of \$1,083,703.80 will be funded from the 2018 insurance budget. The remaining \$46,285.56 is related to policing or fire contracts with other municipalities and will be funded through those contracts.

The increase in insurance premiums for the same coverage as last year represents a 3.4% increase over the 2017 amount. However, some additional insurance coverage has been included as outlined in this report but can be funded within the 2018 budget.

Background

Through Report CPFS11-034, dated September 26, 2011, Council awarded RFP P-37-11 for a Professional Insurance Broker to BFL Canada Risk and Insurance Services Inc. (BFL) for a four year term from October 17, 2011 to November 16, 2015. The agreement was renewed to September 30, 2019 through Report CPFS-15-012, dated May 11, 2015. Part of the service BFL provides is to annually “shop” for an insurer who will provide comprehensive coverage for the City for all its properties, equipment and liability needs.

Through Report CPFS16-042, dated December 5, 2016, Council approved an insurance program that will expire December 31, 2017. BFL has gathered quotes for the City’s insurance program for 2018.

For 2018, almost one-half of the increase in General Liability is due to an increase in the City’s population. There are some increases in Property and Owned Automobile coverage due to increased property values and vehicle count. However, other premiums have decreased as a result of favorable loss history.

One new area of insurance coverage included in the 2018 premium is for Cyber Liability. While the City is very active in security measures for all electronic systems and paper copy customer information, in today’s world, it is reasonable to have protection against any security breach or network interruption. Staff will also be doing some additional risk management training for cyber risks.

Each year, as part of the budget process, any unused insurance balance at the end of the calendar year is transferred to the Insurance Reserve. The uncommitted balance in the reserve is \$1.25 million.

Submitted by,

Sandra Clancy
Director of Corporate Services

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