



City of
Peterborough

To: **Members of the General Committee**

From: **Patricia Lester**
Commissioner of Corporate and Legislative Services

Meeting Date: **December 3, 2018**

Subject: **Report CLSFS18-043**
Insurance Program for 2019

Purpose

A report to recommend the approval of the Municipal Insurance Program for the City of Peterborough for 2019.

Recommendation

That Council approve the recommendation outlined in Report CLSFS18-043, dated December 3, 2018, of the Commissioner of Corporate and Legislative 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, 2019 to December 31, 2019, be approved at an estimated cost of \$1,182,086 plus PST of \$94,567 for a total of \$1,276,653.

Budget and Financial Implications

The total premium of \$1,276,653 includes an amount of \$60,192 that will be recovered from other organizations, where either policing services, fire dispatch or mutual aid services are provided by the City. The City's total premium cost to be applied against the budget is, therefore, \$1,216,461.

The Draft 2019 Budget includes \$1,108,100 for insurance premium costs, with additional provision for deductibles and brokerage fees to be paid. The Draft Budget further includes a recommendation that permits funds to be drawn from the Insurance Reserve if actual insurance costs exceed the budget. The proposed motion reads as follows:

That any unused Insurance Budget at the end of 2019 be transferred to the Insurance Reserve, subject to the overall year-end position and that, if actual 2019 insurance costs exceed the 2019 Budget, funds may be drawn from the Insurance Reserve.

The uncommitted balance in the reserve is \$1.1 million. As such, staff recommend that the Municipal Insurance Program proceed as recommended by the City's Insurance Broker.

The overall increase in insurance premiums is approximately 9.33%. A large portion of this increase is due to the excess liability coverage and is more a reflection of worldwide market conditions, and not directly to the City's claims history.

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 broker agreement was renewed to September 30, 2019 through Report CPFS-15-032, 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 CPFS17-072, dated December 4, 2017, Council approved an insurance program that expires December 31, 2018 and as such BFL has gathered quotes for the City's insurance program for 2019.

Submitted by,

Patricia Lester
Commissioner of Corporate and Legislative Services

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