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# HALDIMAND COUNTY

Report LSS-22-2022 General Insurance Renewal - 2023

For Consideration by Council in Committee on December 6, 2022

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## OBJECTIVE:

To provide information to the 2023 Municipal Insurance Program renewal with estimated premium amounts.

## RECOMMENDATIONS:

1. THAT Report LSS-22-2022 General Insurance Renewal - 2023 be received;
2. AND THAT the 2023 insurance policies proposed by Marsh Canada Limited and Arthur J. Gallagher Canada Limited at a cost of \$973,411 inclusive of applicable taxes, approximately a 15.4% increase over the 2022 insurance premiums be approved as follows:
  - a. General Insurance Program including general liability, umbrella liability, medical malpractice liability, environmental impairment liability, crime, automobile, property insurance, excess property insurance, municipal volunteers' accident policy and cyber coverage;
  - b. Closed Landfill Policy be renewed, and cost shared with Norfolk County as joint owners;
3. AND THAT the Special Events Insurance Coverage, at 100% municipal cost, for those parades and events that meet the criteria as outlined in Report LSS-22-2022, be approved;
4. AND THAT authority be delegated to the General Manager, Corporate & Social Services to renew the Community Hall Boards and Recreation Affiliates policies, based upon the estimated premiums provided by Marsh Canada Limited and Arthur J. Gallagher Canada Limited to an upset limit of \$17,000 inclusive of applicable taxes, representing approximately a \$1,200 increase over the 2022 insurance premiums;
5. AND THAT the Recreation Affiliates Policy, once renewed, maintain affiliate contributions to this policy premium capped at the amount of \$550 each;
6. AND THAT staff report back to Council if the final rates exceed the upset limit or if there are any significant policy changes for 2023.

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**Respectfully submitted:** Cathy Case, General Manager of Corporate & Social Services

**Approved:** Craig Manley, MCIP, RPP, Chief Administrative Officer

## EXECUTIVE SUMMARY:

Over the last few years, Ontario municipalities have experienced a global hardening of the insurance market. This has resulted in many municipalities seeing a 25% to 40% premium increase year over year on some policies; a reduction in the number of insurers providing municipal insurance policies (less competition); some municipalities not being able to obtain insurance coverage for various policy

types (i.e. Cyber); stronger disciplined policy underwriting including more policy exclusions (less coverage for more money); and significant delays in annual insurance renewals.

Haldimand, although identified as a model client, has also been impacted by the above factors including experiencing a delay in receiving the 2023 insurance policy renewal premiums. The Community Hall Boards and Recreation Affiliates policy premiums have not yet been received and are being estimated based on advice from the County's broker.

The overall increase is 15.4% representing an additional cost of approximately \$132,000 for a total policy of \$973,411 including applicable taxes. The area with the highest increase is the Property policy and much of that increase is attributable to inflation.

Staff are recommending to proceed with the proposed 2023 premiums as outlined in this report; and seeking delegated authority to renew the two outstanding policies once confirmed.

## **BACKGROUND:**

Haldimand County's General Insurance Program consists of two parts:

- 1) **Self insurance** – is where an organization maintains its own funding source to cover insurance costs rather than purchasing a policy from an external insurance company. For Haldimand County, claims that fall below the County's established deductible dollar values for each policy type are covered through self insurance. All claim related expenses and/or settlements within this category are funded from the County's Insurance Reserve. (See Attachment #1 for deductible values for each policy type)
- 2) **External insurance** – involves purchasing an external insurance policy from an insurance company to cover claims that are above the County's established deductible dollar values. The policy generally provides coverage for all associated costs or judicial awards that exceed the deductible value. The external insurance policies are renewed annually on January 1<sup>st</sup>, and the 2023 renewal information is the purpose of this report.

The General Insurance Program has adapted and changed since the County's inception to accommodate ongoing fiscal and operational needs by ensuring types and levels of insurance coverage are appropriate, and to mitigate premium increases as much as possible. Some examples of Council approved changes include increasing deductible levels, which at the time, resulted in lower premiums; the addition of a new Cyber Liability policy in 2018; and an Excess Property policy in 2022. Since 2001, the County's insurance coverage has been provided by three different insurers as awarded through the Request for Proposals process:

- 2001 to 2011: Frank Cowan Company
- 2012 to 2016: BFL Canada Risk & Insurance
- 2017 to current date: Jardine Lloyd Thompson which was then purchased by Marsh Canada Limited, utilizing Arthur J. Gallagher for brokerage services

Information regarding the insurance premiums from 2001 to 2022 can be found in Council Report LSS-17-2021 General Insurance Renewal – 2022, of which the link to this report is provided below in the references section. Over the past three years, municipal insurance premiums have increased substantively across the province and Haldimand County has not been immune to the increases, albeit the degree of increase has been lower for Haldimand than many others.

### Market Trends

Each year, staff monitor the insurance market trends to determine potential impacts on the County's insurance program. This includes utilizing a variety of communications such as public insurance market studies, brokerage services and reports, networking with other municipalities, information

provided through various municipal associations, etc. Municipalities throughout Ontario are continuing to face annual premium increases due to the ongoing hard market conditions, characterized by a high demand for insurance coverage and a reduced supply of insurers willing to provide coverage. There are several factors which drive the hard market conditions with the more relevant factors being:

- insurers seeking to have a greater focus on profitability and bottom-line results, resulting in higher premiums;
- the marketplace experiencing a reduction in fiscal capacity due to a decrease in the number of syndicates who provide financing to the insurance market;
- insurers limiting the number of policies issued;
- a growing demand for more insurance coverage (i.e. many auto policies used to be \$1M in coverage and auto owners are now seeking \$5M in coverage);
- insurers imposing stricter underwriting standards which include more exclusions (less coverage); and
- insurers disinclined to negotiate any terms – it is a take it or leave it offer.

Other external impacts which drive premium rates include:

- an increasing number of catastrophic losses, regardless if the event is local, national or international (tornados, flooding, forest fires, etc.);
- a growing number of liability claims and law suits which have increasingly higher court awards – which has resulted in a significant growth of claim costs for insurers; and
- more recently, the growing inflation rate which is increasing the replacement cost of assets which are covered by insurance programs.

Municipal insurance itself is complex in terms of size, diversity of operations, scope of risk and global claim costs. The number of insurers willing to provide coverage for municipalities continues to decline, with the insurers focus shifting to obtaining higher premium revenues rather than providing competitive offerings.

Municipal claim experience also impacts insurance rates; the higher the claims costs, the higher premiums – this is known as a liability loss ratio. Haldimand County is known to be a model client due to proactive risk mitigation activities; and has a lower liability loss ratio than the industry standard, which benefits the County at time of renewal.

### 2023 Insurance Renewal Strategy

Staff were proactive in preparing for the 2023 insurance renewal knowing that there are industry challenges. The extensive insurance renewal package was vetted with a variety of staff to ensure that all information was accurate and that the County is seeking the right amount of coverage and insured values. The insurance renewal package was submitted to the County's insurance broker Arthur J. Gallagher (Gallagher) at the end of August 2022.

To ensure that the County is receiving good value, in addition to entering into negotiations with Marsh for the 2023 renewal, Gallagher also approached other insurance providers for quotes on the County's insurance portfolio. The intent was to utilize foreign and domestic markets to find the best insurance rates and coverage. One of the companies approached was Intact Public Entities (IPE), formerly Frank Cowan Company who had previously provided coverage to Haldimand. After a review of the Haldimand program, IPE declined to submit a formal quote stating that IPE would not be competitive at this time.

Staff are presenting the proposed premium costs as well as the estimates for the two outstanding policies (Community Hall Boards and Recreation Affiliates) and the Special Event Policy for Council review and feedback. The renewal package received to date from Marsh for the County's proposed insurance program is supported by financially strong and stable leading insurers, which is extremely important when sourcing municipal insurance providers. The rate increases for the 2023 renewal are similar to what other model client municipalities are experiencing; and the proposed rate increases are

mostly reflective of the external market conditions with some moderate impact based upon the County's liability loss ratio.

The estimated 2023 premiums represent a 15.4% increase from 2022 and an additional \$1,200 over 2022 for the two outstanding policies for which premiums have yet to be provided. Currently, the deductibles remain the same as in 2022 and as shown on Attachment #1.

## **ANALYSIS:**

A review of the liability claims experience of the past 6 years shows a liability loss ratio of 21.2% with property and automobile loss ratios of 0.1% and 2.1% respectively. An insurance company uses loss ratios along with the other external factors when determining underwriting rates and subsequently, annual premiums. A loss ratio is a mathematical calculation that takes the total claims that have been reported to the insurer plus any handling costs (adjuster fees, legal fees) divided by the total premiums earned. In general, an acceptable loss ratio to insurers would be in the range of 40% - 60%. At this point in time, the County's loss ratio is significantly less than the industry acceptable loss ratio, which makes Haldimand a model client and results in more favourable renewal rates. If the loss ratio was above 60%, insurers would be applying much higher premium increases, and/or could opt not to provide policy coverage.

Table 2 outlined within the Financial/Legal Implications section of this report, breaks down the costs of the proposed 2023 renewal premiums for the County's General Insurance Program compared the 2022 premiums.

The 2023 General Insurance Program which includes general liability, umbrella liability, medical malpractice liability, environmental impairment liability, crime, automobile, property insurance, excess property insurance, municipal volunteers' accident policy and cyber coverage, Closed Landfill Policy, Facility User Program along with the estimated premium costs of the Community Hall Boards and Recreation Affiliates policy is an approximately \$989,411 (includes applicable tax). The 2023 premiums are approximately \$132,233 more than the 2022 premiums.

Each of the policy types have been identified below along with a brief description of the purpose of the policy, the proposed premium and the increase from 2022 (if applicable). Attachment #2 provides a list of insurance terminology to help further explain the various insurance policies and their attributes.

### **i. General Liability Insurance**

General liability is coverage for liability related to bodily injury and/or property damage to third parties. The policy includes a number of extensions, coverages, and endorsements such as Errors & Omissions Liability, Employers' Liability, Employee Benefits Liability, Wrongful Dismissal (Legal Expense) Reimbursement, Conflict of Interest, Non-Owned Automobile coverage as well as other smaller lines of coverage. The 2023 premium is \$97,254 which represents approximately 9.8% or \$8,696 increase from 2022.

The County inquired if there would be any premium savings if the deductible for General Liability was increased from \$250,000 to \$500,000. As the premium savings would only be \$9,931, there is no advantage to changing the deductible, noting that this minimal savings does not offset the additional risk / exposure that the County would be administratively and fiscally responsible for. Furthermore, the levy contributions to the Self Insurance Reserve (SIR) fund would need to be increased to offset this additional level of exposure.

### **ii. Umbrella Coverage**

The General Liability policy has a limit of \$5,000,000 which is known as Primary liability coverage. It is important that the County retain Umbrella coverage as judicial awards related to general liability

exposures have increased and are a significant fiscal exposure to the County. When judicial awards exceed \$5,000,000 the Umbrella coverage provides an additional layer of insurance, in the event that the primary General Liability policy limits are exceeded.

The 2023 premium is \$50,150 which represents an increase of 16% over the 2022 premium and provides additional coverage of \$45,000,000. This additional coverage consists of two (2) excess policies of \$20,000,000 and \$25,000,000 respectively. To date, the County has not drawn upon these policies, but in all likelihood, it is only a matter of time due to the growing litigious society and increased judicial awards. If the County did not retain Umbrella coverage and the Primary liability coverage limit was exceeded, the County would be fully responsible for paying the difference. It is critical that this limit of coverage be retained to adequately protect the County from claims related to catastrophic injury.

Joint and Several Liability, which is a provision of the Negligence Act, is commonly known as the 1% Rule. This is an example of when excess layers of insurance could be required. Under Joint and Several Liability, a municipality is only required to be found 1% liable for the cause of loss which contributed to the plaintiff's injuries, in order to be held jointly and severally liable - potentially having to pay 100% of the amount awarded, despite contributory negligence by the other parties. In other words, current legislation directs that a person injured by two or more negligent parties may collect full damages from any one of the negligent parties even if that party was only 1% responsible for a claim. As municipalities are seen as having "deep pockets" or unlimited financial resources, legal counsel frequently name municipalities in suits on behalf of their clients. Municipalities for years have been requesting this legislation be changed. The Association of Municipalities of Ontario (AMO) have been advocating on behalf of municipalities to the Ministry of Attorney General. More information can be found in Council Report LSS-01-2021 Joint and Several Liability of which the link to this report is provided below in the section.

### **Changes to the Program – New Exclusion added for General Liability Insurance and Umbrella Coverage**

Under the General Liability and the Umbrella Liability policies, Marsh Canada has added the following exclusion: Perfluorinated Compounds, Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) Exclusion. This exclusion applies only to the County's water treatment, water supply and firefighting operations. These compounds and substances mean any organic molecule, salt, free radical or ion, the composition of which includes at least one:

- Perfluorinated methyl group (-CF<sub>3</sub>), or
- Perfluorinated methylene group (-CF<sub>2</sub>)

Per and Polyfluoroalkyl substances (PFAS) are considered emerging contaminants and in recent years have become one of today's most significant environmental issues. PFAS are widely detected in soil, groundwater, surface water and associated with landfills, and wastewater treatment plants.

As the operations of the County's water treatment and water supply are contracted services, the County will continue to work with these service providers to be proactive in addressing this requirement. Risk mitigation strategies to address this with County in-house service providers will also be reviewed.

#### **iii. Medical Malpractice Liability**

Medical Malpractice Liability is a stand-alone policy (separate policy) from the Municipal Insurance program, also known as third party coverage. A medical malpractice policy provides County coverage for healthcare services provided by paramedics, firefighters, personal support workers, registered practical nurses, etc. The 2023 premium is \$39,672 which is 7.5% or \$2,768 over the 2022 premium.

iv. Environmental Impairment Liability

Environmental Impairment Liability provides coverage for claims that arise from sudden and accidental incidents (oil leakage from a County vehicle or a piece of equipment) to gradual loss (leakage/seepage over a period of time). This coverage is available for third party site clean up, applicable emergency costs, etc. The 2023 premium is \$12,164 representing an increase of 12.5% or \$1,364 over the 2022 premium.

v. Crime Insurance

Crime Insurance provides a variety of coverages from employee dishonesty, loss of money, forgery and related professional legal and auditing expenses and is known as first party coverage. The 2023 premium remains the same at \$2,700, a 0% increase.

vi. Automobile Insurance

Automobile Insurance provides liability and physical damage coverage for County owned or leased (over 30 days) vehicles, known as first party coverage. The 2023 premium is \$163,658 representing an overall increase of \$19,938 or 3%. The premium is increased due to an increase in the number of insurable fleet licenced vehicles from 216 in 2022 to 234 units in 2023.

vii. Property Insurance

Property Insurance applies to the physical damage and machinery breakdown for all municipally owned property and is first party coverage. In 2022, the insurance provider established an upset aggregate limit of \$100 million per event. Given that the County has a total insured value of \$518,303,285, the limit of loss is a significant gap in insurance coverage and a detriment to the County. For instance, if full loss was to occur, any expense exceeding \$100 million would need to come from other County funding sources such as County reserves or other available funding mechanisms. In the case of total loss of the Nanticoke Water Treatment Plant which is located in a dense space and valued at \$112,247,520, it would not be fully covered. Haldimand has several other properties which are located in a geographically dense space where collectively the assets have an assigned value that exceeds \$100 million.

In 2023 the insurance provider introduced a 5% rate increase to be applied to all listed properties and added an additional 11% Inflationary Property Value increase. The inflation increase is a result of the increased market costs to rebuild after a loss and is driven by the current and estimated future costs of materials and labour. The 2023 premium is \$443,149 or \$74,830 more than the 2022 premium representing the largest dollar increase to the 2023 program.

viii. Excess Property Insurance

In the past 2 years, insurance carriers experienced significant catastrophic losses such as wildfires, civil commotion and flooding, globally. As noted under property insurance, an upset aggregate limit of \$100 million per event was placed on the County's policy. To ensure that the County has an adequate amount of coverage, Council approved the purchase of an Excess Property policy to ensure proper protection for buildings, structures and contents. The Excess policy provides an additional property limit of \$50,000,000 on any one loss. The 2023 premium is \$70,875 which represents an increase of 11% or \$7,155 over the 2022 premium. The increase is attributable to the same factors as outlined under vii. Property Insurance. The Excess Property policy allows the County to close the gap in the event of a total loss that exceeds \$100 million in one geographic area or for any one property valued higher than this limit. Council should be aware that the County would not be fully covered if the property loss for any one event exceeds \$150 million. Staff continue to review and monitor reserve balances across the County to ensure reasonable balances to best protect the County's assets from an insurance perspective.

ix. Municipal Volunteers' Accident Benefit Policy

The Municipal Volunteers' Accident Benefit policy protects the County's volunteers from financial consequences of accidental injuries. This policy is designed to provide insurance protection for all County volunteers performing supervised and sponsored volunteer activities. The 2023 premium is the same as the 2022 premium at \$1,080.

x. Cyber Insurance

Cyber Insurance is a relatively new insurance policy with the County purchasing its first Cyber policy in 2018 due to the growing trend of cyber risk to municipalities. Cyber policies have been very volatile in rates and some municipalities have been unable to secure Cyber policy coverage. Cyber breaches, cybersecurity matters, and ransomware are becoming more common place with the underwriters realizing the losses associated with this type of risk. Public entities are consistently one of the most heavily impacted classes for cyber losses which is why some key cyber insurers are no longer insuring municipalities or drastically restricting insurance coverage. As insurers and insureds become more aware and knowledgeable around cyber threats and risk management, staff anticipate that the insurance programs for such exposure will stabilize in the coming years.

Cyber insurance differs slightly from other lines of coverage, in that, in addition to incident response, a more proactive service is also included in the premium costs in the event of a cyber concern. The 2023 premium is \$67,770 or 13% over the 2022 premium.

xi. Community Hall Boards

The Community Hall Boards policy extends liability coverage to those boards who are operating County Community Halls on the County's behalf. There are currently 18 Community Halls that are operated by autonomous volunteer boards of directors who manage hall finances. The County remains responsible for the life, health and safety of assets, along with major capital and emergency repairs.

At the time of this report the 2023 Community Halls Liability policy premium was not available. Gallagher has suggested that an increase of 1% over the 2022 premium would not be unreasonable based upon ongoing discussions with the insurer. Based upon this, the estimated 2023 premium would be \$13,284 which is \$132 higher than the 2022 premium. Staff recommend providing delegated authority to the General Manager of Corporate and Social Services to renew this policy once final renewal rates are received.

xii. Recreation Affiliates Insurance

The Recreation Affiliates policy provides liability coverage for incorporated groups who cannot be identified as volunteers under the County General Liability policy because of their incorporated status. This coverage is known as third party coverage.

Currently, the Dunnville Soccer Park Corporation and Haldimand Youth Soccer Corporation are insured under this policy. For several years, the County has facilitated this insurance coverage on the group's behalf in an effort to secure the most economical premium possible. Since 2012, Council has capped these two organizations' contributions to the annual premium at \$550 each, with the remainder of the premium paid by the County.

At the time of this report, the Recreation Affiliates Insurance policy premium was not available. Gallagher has suggested that an increase of 2% over the 2022 premium would not be unreasonable based upon ongoing discussions with the insurer. The estimated 2023 premium would be \$2,700 which is \$53 higher than the 2022 premium. At this time, staff recommend no changes to the cost sharing model currently in place. Staff also recommend providing delegated authority to the General Manager of Corporate and Social Services to renew this policy once final renewal rates are received.

xiii. Joint Municipal Landfill Property and Landfill Liability and Umbrella Liability - Closed

The Joint Municipal Landfill policies are stand-alone policies providing liability and property coverage for those landfills that are jointly owned by Haldimand County and Norfolk County. The property policy has a first party limit of \$2,500,000 blanket limit of loss; the liability coverage has a third party limit of \$5,000,000; while Umbrella policy has an excess liability limit of \$20,000,000. The 2023 premium is \$24,939 which is an increase of 11% or \$2,517 over the 2022 premium.

Norfolk County as co-owner, will cost share the annual premium (56.25% Norfolk share) and will be notified of the 2023 renewal rates.

xiv. Facility User Program

The County offers a number of facilities for rent for the purpose of sports, events and activities whether it is for such things as an organized event or a pick-up hockey game. The rental of County facilities requires that users have liability coverage to protect them and the County against any financial impact of claims associated with the use of the rental. To assist, the County administers a Facility Rental User Liability Insurance Program. This program enables individuals and/or groups renting a County facility to obtain insurance at a reasonable rate while also ensuring that the County's risk exposure is mitigated. This program does not apply to those Users or Groups who have their own insurance coverage and supply the required documentation.

The Facility User Program provides liability coverage for bodily injury and property damage and adds the County as an additional insured. This is known as third party coverage. The premiums are collected by the County when a facility is booked and are remitted directly to the insurance provider.

xv. Special Event Policy

In 2013, Council approved the purchase of a Special Events Policy for parades and special events that meet certain criteria. This initiative was brought forward as community event organizers were experiencing difficulty in obtaining and/or financing the required liability insurance for their events held on Haldimand County property. Anytime an event is held on County property which is approved through an established application process, the County requests insurance coverage in order to protect the County's interests and mitigate risk.

This policy is equally beneficial to the event organizers and to the County. The organizers will benefit by not having to obtain independent insurance for their event, thus avoiding a potential cost as well as the administrative work in securing such coverage and providing the documentation to the County. The County will benefit by having the security of insurance coverage that protects the County's interests based on the terms of coverage specified by the County. It should be noted that any claim under the group policy related to an individual event could have future implications to the coverage, deductible, and premium for all covered events.

The Council approved criteria for receiving insurance coverage under the Special Events Policy is as follows:

- the event is mostly, if not all, held on County owned property;
- the event is sponsored by a volunteer, not-for-profit organization;
- the event is held on an annual recurring basis;
- the event is for the benefit of the general public, as opposed to a specific target audience;
- the event contributes to community vibrancy and may encourage tourism;
- the event is not for the purpose of fundraising;
- the main event is free of admission charges; and
- funding of the insurance for an event does not create an inconsistency with other similar events held on property not owned by the County.

Table 1 (below) outlines 22 special events that are currently utilizing the Special Events Policy coverage. The policy outlines the cost per event and/per day of the event. This policy has a deposit premium which is the amount of money required by an insurer to initiate a policy. Once the deposit premium has been exhausted, the insurer then invoices for each event. This policy has a renewal of April 13, 2022 to April 13, 2023.

**Table 1: Special Events & Annual Parades**

<b>Event Name</b>	<b>Location</b>
Remembrance Day Parades	Jarvis
	Dunnville
	Selkirk
	Hagersville
	Caledonia
Santa Claus Parades	Hagersville
	Caledonia
	Cayuga
	Townsend
Light Up Nights	Jarvis
	Caledonia
	Dunnville
	Hagersville
	Cayuga
Summers End Festival	Hagersville
Canada Day Events	Dunnville
	Caledonia
Cayuga Fest	Cayuga
Fun Day	Fisherville
Mudcat Festival	Dunnville
Pride - Haldimand Norfolk	Caledonia
Jarvis Fest	Jarvis

### **Risk Management Strategy**

The County’s General Insurance Program continues to be Haldimand’s main source of risk financing, providing many different policies and coverages for the multitude of exposures based upon the nature of its legislated and operational responsibilities.

The pandemic had some negative effects on insurance renewals as noted throughout this report, but it also delayed submission of claims and court matters which are just starting to come to light. This has been anticipated by insurers who have built in fiscal risk mitigation through their proposed increased premiums. Staff continue to work to identify and mitigate risk and their associated costs.

In 2023, Legal and Support Services will begin working to develop the framework for a Corporate Risk Management Strategy which will include evaluating the total cost of risk (insurance premiums, program structure, loss prevention, claims management, coverage gaps and contractual liability), development of appropriate risk mitigation and risk transfer strategies as well as providing education, training and techniques that can be implemented in the day-to-day operations throughout Haldimand County. The

goal is to work collaboratively with all departments to reduce risks associated with municipal operations and to mitigate future claims and insurance costs. It is anticipated that the development of this strategy and the work required with various County Divisions will span the 2022-2026 term of Council.

### Next Steps

2022 is the last year of the insurance contract with Marsh Canada and Gallagher. In 2023, staff will be going to the marketplace to source an insurance contract for 2024 and future years. Staff are continuing to review the General Insurance Program as a whole to ensure that the County remains fiscally responsible in all activities related to the program.

### FINANCIAL/LEGAL IMPLICATIONS:

Table 2 (below) shows the proposed 2023 insurance premiums compared to the 2022 insurance premiums including the percentage increase and dollar value increase. All values are inclusive of Provincial Sales Tax where applicable. The 2023 increase to insurance premiums will be one of the budget drivers in the 2023 Tax Supported Operating Budget. Unfortunately, with a limited market supply of public sector insurance providers, the global hard market, lack of joint and several liability reform, and recent inflationary increases, the increase appears unavoidable despite the County's reputation as a model client in the public sector portfolio. As noted above, the contract with Marsh Canada ends in December 2023 and a new contract will be sought for future years.

**Table 2: 2022/2023 Insurance Premiums**

<b>Policy</b>	<b>2022 Premium</b>	<b>2023 Premium</b>	<b>2023 Estimated Premium</b>	<b>2023 Increase</b>	<b>2023 Percentage Increase</b>
Municipal General Liability	\$88,558	\$97,254		\$8,696	9.80%
Umbrella Liability	\$43,200	\$50,150		\$6,950	16%
Medical Malpractice Liability	\$36,904	\$39,672		\$2,768	7.50%
Community Hall Boards Liability	\$13,152		\$13,284	\$132	1%
Recreation Affiliates	\$2,646		\$2,699	\$53	2%
Environmental Impairment Liability	\$10,800	\$12,164		\$1,364	12.50%
Crime	\$2,700	\$2,700		\$0	0%
Owned Automobile	\$143,720	\$163,658		\$19,938	3%
Property	\$368,319	\$443,149		\$74,830	5% Rate + 11% in Property Value
Volunteer Accident	\$1,080	\$1,080		\$0	0%
Cyber	\$59,940	\$67,770		\$7,830	13%
Excess Property	\$63,720	\$70,875		\$7,155	10%
Landfill Policies (cost shared with Norfolk County)	\$22,422	\$24,939		\$2,517	11%
	<b>\$857,161</b>	<b>\$973,411</b>	<b>\$15,983</b>	<b>\$132,233</b>	<b>15.40%</b>

Once final renewal figures are received from the insurer, staff will report back via memo to Council to provide the actual increases. If the final increase provided to the County is unexpectedly higher than 25%, staff will report back to Council with options to consider going forward. Likewise, if changes are recommended after further staff analysis is completed on the viability of the County assuming more risk, staff will report back for Council consideration.

### **STAKEHOLDER IMPACTS:**

All departments and various County Boards are insured under and impacted by elements of the General Insurance Program.

The Joint Municipal Landfill Liability costs are shared with Norfolk County. As co-owner, Norfolk is responsible for 56.25% of the 2023 annual premium.

### **REPORT IMPACTS:**

Agreement: No

By-law: No

Budget Amendment: Yes

Policy: No

### **REFERENCES:**

1. [LSS-17-2021 General Insurance Renewal – 2022](#)
2. [LSS-01-2022 Joint and Several Liability](#)

### **ATTACHMENTS:**

1. Insurance Deductibles
2. Insurance Definitions