



TOWN OF MINTO

MEETING DATE: March 5, 2024

REPORT TO: Mayor and Council

SERVICE AREA: Finance

SUBJECT: FIN 2024-004 - 2024 Insurance Program Renewal

RECOMMENDATIONS:

THAT Council of the Town of Minto receives report FIN 2024-004 regarding the 2024 Insurance Program Renewal and approves the renewal.

BACKGROUND:

2024-25 is the fifth year that the Town of Minto will have its insurance through Public Entities(formerly Frank Cowan Company). Brown Insurance Brokers Ltd is our local broker.

The following table summarizes premiums since 2017 including taxes:

JLT			Cowan/Intact				
2017	2018	2019	2020	2021	2022	2023	2024
\$256,863	\$278,216	\$291,157	\$282,110	\$309,458	\$349,001*	\$394,424*	\$426,463*

*Not including Cyber Insurance

The following highlights coverage provided in the renewal:

	2024
Liability Limits	\$25 million
Abuse Liability	NOT Included
Environmental	\$3 million per claim to max \$5 million (\$10,000 deduct.)
Property Value	\$114,826,581
Cyber Insurance	Separate Policy.
Pollution of Town Property	First party pollution clean-up included for 180 days
Vehicles	Replacement value with driver abstract review

Significant changes to the policy will be covered in our Insurance Company Representative's report.

COMMENTS:

Municipal insurance coverage is supplied by a limited number of firms. This makes it difficult to find required coverages at a competitive price. The insurance premium is 8% higher than the previous year. Insurance rate increases continue to outpace general inflation. The insurance industry is still in a period of increasing claims for a variety of reasons ranging from a more litigious environment, higher damage claims due to climate change and the continuing issue of joint and several liability claims. The overall municipal coverages are complex and composed of several distinct policies. The rates of increase for each item reflect market conditions for each type of coverage. The annual increase for general liability is 5% (2023-13%); the increase for property is 12% (2023-21%) and vehicles is 11% (2023-10%), while other policies as volunteers accident coverage had an increase of 0% (2023-5%) and conflict of interest coverage increased by 0% (2023-4%)%. General liability, property and vehicles account for over 96% of the total premium so changes in these policies have the greatest impact on overall premiums. This annual increase is still higher than inflation, but it is in line or a bit less than those experienced by neighbouring municipalities.

FINANCIAL CONSIDERATION:

Adequate insurance coverage is essential to minimize risk in municipal operations and governance. The premium although higher, it does reflect current market conditions rather than any specific risk attached to the Town of Minto.

STRATEGIC PLAN:

Goal 5: Responsible Government

Deliver Services in an open, accountable, and transparent manner while providing an outstanding working environment for our employees and community.

PREPARED BY: Gordon Duff, Treasurer

RECOMMENDED BY: Mark Potter, Interim Chief Administrative Officer