



Municipality of North Grenville

Report No.
FIN-002-2019

File No.
C7-FIN

Agenda Date:	January 7th, 2019 – Committee of the Whole
Subject:	2019 Insurance Renewal
Attachments:	Appendix 1: 2019 Premium Analysis

RECOMMENDATION

The following recommendation is provided for the Committee of the Whole's consideration:

That Committee of the Whole recommend to Council that the 2019 insurance renewal with Frank Cowan Company be authorized for a period of one year.

BACKGROUND

In 2014, the Municipality of North Grenville entered into a five year broker agreement with Arthur J. Gallagher, previously Crain & Schooley, to assess the Municipality's insurance needs and provide the best value in insurance coverage.

On Monday, December 17th, staff met with the Municipality's broker at Arthur J. Gallagher to discuss the 2019 Municipal Insurance Program offered by Frank Cowan Company.

ANALYSIS

As shown in Appendix 1, the 2018 renewal premium was \$344,733. There were some mid-year changes to premiums including:

- General Liability and Property premium increases as a result of the Kemptville Campus acquisition. However, all incremental insurance costs associated with the Campus are fully recoverable from the Kemptville Campus Education and Community Hub.
- Automobile premium increases as a result of deductible reductions from \$25,000 to \$5,000.

The 2018 annualized premium, including the mid-year changes, would be \$384,278. The 2019 renewal premium is \$388,854, representing a 1.2% increase in the year-over-year annualized premium.

ALTERNATIVES

1. Cancel the broker agreement with Arthur J. Gallagher and source an alternative broker for the period ending December 31, 2019. This is not recommended because of the valued service received for claims, risk management, inspections, etc.

Furthermore, the minimum earned and retained premiums that would be payable by the Municipality to Frank Cowan would be approximately \$42,500.

FINANCIAL/STAFFING IMPLICATIONS

This item has been identified in the 2019 draft budget: Yes **X** No ☐ N/A ☐

This item is within the 2019 draft budget amount: Yes **X** No ☐ N/A ☐

Staffing implications, as they relate to implementing Council's decision on this matter, are limited to the existing staff complement and applicable administrative policies as approved by Council.

LINK TO COMMUNITY STRATEGIC PLAN

The North Grenville Community Strategic Plan does not speak to this issue.

Prepared and submitted by:

**Recommendation submitted
for Committee of the Whole
consideration by:**

Original signed

Marcus Hewitt
Director of Finance

Original signed

Brian J. Carré
CAO

Municipality of North Grenville
2019 Renewal Review - *Premium Analysis*

Appendix 1
FIN-002-2019

Line of Coverage	2018 Renewal Premium	2018 Annualized Premium	2019 Renewal Premium
General Liability	\$147,222.00	\$150,118.00	\$153,120.00
Errors & Omissions	\$70,298.00	\$70,298.00	\$70,298.00
Non-Owned Auto	\$250.00	\$250.00	\$250.00
Environmental	\$7,633.00	\$7,633.00	\$7,633.00
Crime	\$1,575.00	\$1,575.00	\$1,575.00
Councillor Accident	\$310.00	\$310.00	\$310.00
Volunteer Accident	\$500.00	\$500.00	\$500.00
Conflict of Interest	\$300.00	\$300.00	\$300.00
Legal Expense	\$1,700.00	\$1,700.00	\$1,700.00
Property	\$81,697.00	\$114,151.00	\$115,315.00
Equipment Breakdown	\$7,435.00	\$9,867.00	\$10,163.00
Automobile	\$21,873.00	\$23,636.00	\$23,636.00
Excess Liability	\$3,940.00	\$3,940.00	\$4,054.00
Total	\$344,733.00	\$384,278.00	\$388,854.00