

Report FR-CW-06-17

To: Warden Barfoot and Members of Grey County Council
From: Kevin Wepler, Director of Finance
Meeting Date: January 26, 2017
Subject: **2017 Insurance Renewal**
Status: Recommendation adopted by Committee as presented per Resolution CW-07-17; Endorsed by County Council February 9, 2017 per Resolution CC07-17;

Recommendation

- 1. That Council receive Report FR-CW-06-17 titled 2017 Insurance Renewal for information.**

Background

Insurance is the transfer of risk from one entity to another. The County transfers the risk of future unknown losses to its insurance company.

The cost of purchasing this transfer of risk is the insurance premium that is paid annually to the insurance company. The County pays a premium which transfers this risk to the insurance company for a period of time, normally for one year. The County purchases or insures several areas of coverage including Casualty (General Liability), Property, Automobile and Excess.

Grey County has contracted its Municipal Insurance Program with the Frank Cowan Company Limited since 2009. For the years 2004 to 2008 the County participated in the Ontario Municipal Insurance Exchange (OMEX) Reciprocal Insurance Program. Previous to this period of time the County participated from 1999 to 2007 under the Rural Ontario Municipal Association (ROMA) Special Underwriting Group (SUG) Reciprocal Insurance Program. Under these Reciprocal Agreements, members are eligible to receive a portion of surplus premiums, if they exist, and are responsible for paying a supplementary assessment, if underwriting periods have deficits.

The purpose of this report is to advise Council on the costs relating to the County's 2017 insurance policy renewal with the Frank Cowan Company. Staff met with the County Insurance Broker, Nicol Insurance to review the 2017 insurance renewal and

any changes that have been made to the insurance program.

As per the Renewal Report, the total cost of the Frank Cowan Company insurance renewal for 2017 excluding taxes equals \$1,208,906. This compares to the 2016 annual premium of \$1,209,368 or a decrease of \$462.

The County has had positive renewal experiences for the past three years.

Year	Total Premium
2014	\$1,178,517
2015	\$1,199,760
2016	\$1,209,368
2017	\$1,208,906

Financial/Staffing/Legal/Information Technology Considerations

The 2017 budget was drafted with an estimated insurance premium increase of 2%. Based on the 2017 Renewal Report and the reported annual premium of \$1,208,906, plus applicable taxes, a 2017 budget surplus of \$32,000 is anticipated.

Link to Strategic Goals/Priorities

Communication is a key value to the County's Strategic Plan. This report provides information to Council in regards to the County's 2017 insurance renewal.

Attachments

None

Respectfully submitted by,

Kevin Weppler
Director of Finance