

REGION OF OTTAWA CARLETON
RÉGION D'OTTAWA CARLETON

MEMORANDUM
NOTE DE SERVICE

Our File/N/Réf. 08-00-0001
Your File/V/Réf.

DATE 11 January 2000

TO/DEST. The Chair and Members of Council

FROM/EXP. Finance Commissioner

SUBJECT/OBJET **2000 INSURANCE RENEWAL**

BACKGROUND

In accordance with authority delegated to the Finance Commissioner under section 4.3.6 of the Corporate Policy Manual, the Finance Department, through the Region's Insurance Advisory Committee composed of members of the Ottawa Insurance Brokers Association, has negotiated insurance renewals for 2000. The Region placed its insurance program with the Frank Cowan Company for a total premium of \$683,815 which represents an increase of 1.1% from 1999. The Frank Cowan Company has provided general insurance requirements to Ontario public entities, including municipalities, since 1932.

DISCUSSION

The 2000 renewal program premium of \$683,815 (including tax) is \$7,376 more than our expiring term's annualized insurance premium. However, this premium includes insurance coverage for Landsdowne Park which was transferred to the Region from the City of Ottawa effective 1 January 2000. The cost to insure Landsdowne Park, which has an insured value of approximately \$75,000,000, is \$37,394. As part of our annual premium review, other deductible options are proposed by our insurers. The premium savings offered did not compare favourably with the additional self-insured risk to be assumed, based upon our loss history analysis. No changes to our current deductible levels were made for the year 2000.

INFORMATION PREVIOUSLY DISTRIBUTED
TO BE LISTED ON CORPORATE
SERVICES AND ECONOMIC DEVELOPMENT
COMMITTEE AGENDA - 01 February 2000

The Frank Cowan Company is underwritten by CGU Insurance Company of Canada, Guarantee Company of North America, Lombard General Insurance Company of Canada, insurance effected at Lloyd's London, and the Boiler Inspection & Insurance Company of Canada.

PUBLIC CONSULTATION

Since 1969 the Region has received advice from the Insurance Advisory Committee (IAC) on insurance matters. The members of the IAC are from the Ottawa Insurance Brokers Association thus providing access to a broad range of insurance expertise and markets. Public consultation is not required on this administrative matter.

FINANCIAL IMPLICATIONS

Renewal of insurance coverage satisfies Legislative requirements and ensures that an appropriate risk financing mechanism is in place to protect the Region's exposure to catastrophic losses.

Funds are available in the 2000 Insurance Budget to cover the cost of premium renewals and premium adjustments that may be required due the acquisition of new buildings and vehicles.

CONCLUSION

The 2000 insurance program has been renewed with the Frank Cowan Company effective 1 January 2000. A cost comparison summary of the Region's insurance coverages is attached as Annex A.

Approved by
J.C. LeBelle
Finance Commissioner

COST COMPARISON SUMMARY
(Including Provincial Sales Tax)

<u>Policy</u>	<u>1999 Premium</u>	<u>2000 Premium</u>	<u>% Change</u>
<u>Property Coverage</u>			
All Risk Property (incl. E.D.P.)	\$220,536	\$226,556	+2.7
Boiler and Machinery	12,753	13,691	+7.4
Registered Mail	264	264	0.0
<u>Liability Coverage</u>			
Municipal Liability (incl. E&O)	205,103	205,993	+0.4
Automobile Fleet (incl. Excess)	219,223	218,752	-2.1
Travel Accident	1,616	1,616	0.0
Crime	14,522	14,522	0.0
Conflict of Interest	<u>2,422</u>	<u>2,422</u>	0.0
Total All Premiums	\$676,439	\$683,815	+1.1