

2016/2017 Insurance Coverage

1 BACKGROUND

On October 19, 2016, I brought a report to council recommending that our 2016/2017 insurance be renewed with Jardine Lloyd Thompson Canada Inc. for \$171,126 for the period of October 2016 to October 2017. Council passed this recommendation along with the addition of the annual low risk events liability and the employment practices liability, for a total annual insurance cost of \$174,401.

Council will also recall that we received an unsolicited quote from a competing insurance company for similar coverage, with their quote coming in at \$187,264.

The cost to the municipality of this insurance would be the quoted amounts plus 8% tax.

2 ANALYSIS

The environmental insurance included in the above quote from Jardine Lloyd Thompson contained a 'subjectivity' requiring us to provide proof that our landfills were in compliance with Ministry of the Environment criteria. By recommending the renewal with Jardine Lloyd Thompson in my earlier report, I was confident that the information that we obtained from the Ministry of the Environment and provided to Jardine Lloyd Thompson would be enough to satisfy that subjectivity.

Jardine Lloyd Thompson has informed us that they will not be extending environmental liability coverage to our landfills. These sites will be covered for burns and general liability, but will not be covered for environmental liability.

We have approached the company that provided us with the unsolicited quote and verified that they would cover our landfills, but we would have to move all of our insurance to them.

In order to minimize liability exposure to the municipality, our current options are:

1. Renew with Jardine Lloyd Thompson for the bulk of our insurance and purchase additional environmental insurance for our landfills through another insurer (we are currently working on obtaining quotes). The total cost of this option (including 8% tax) is \$182,990 plus the cost of the additional environmental insurance.
2. Abandon Jardine Lloyd Thompson and go with the company who had provided the unsolicited quote. The total cost of this option (including 8% tax) is 200,345.

The total budget for insurance in 2016 is \$189,782.

Our current insurance policy with Jardine Lloyd Thomson was due to expire October 1, 2016, however we have been granted an extension until January 1, 2017 while we sort out this issue.

Submitted By: Kristen McGill for December 14, 2016 Council Meeting

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3 RECOMMENDATION

For your information.

I am hoping to receive a quote for stand-alone environmental liability insurance before the December 14th meeting and therefore be able to make a clear recommendation to council.