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| Report Presented To: | Township of Southgate Council Meeting |
| Meeting Date: | 2024-10-02 |
| Report Number | FIN2024-019 |
| Title: | Insurance Renewal |
| Open/Closed Session: | Open Session |
| Prepared By: | Kayla Best HR Manager & Deputy Treasurer |
| Approved By: | Kayla Best HR Manager & Deputy Treasurer |
| Approved By: | Dina Lundy Chief Administrative Officer |

Executive Summary:

The Township has renewed its insurance for October 1, 2024 to September 30, 2025. The amount of the renewal was increased by 9.9% compared to last term. The renewal amount was underestimated in the 2024 budget and requires further funding.

Recommendation:

Be it resolved that Staff report FIN2024-019 be received for information; and **That** Council approve funding the overage of \$15,045 with gapping dollars and the tax stabilization reserve, if required.

Background:

The Township of Southgate has insurance policies with Intact Public Entities Inc., in partnership with CMR Insurance. The insurance term runs from October 1st to September 30th each year.

Analysis

Intact Public Entities Inc. and CMR Insurance have provided the Township with the renewal report for the period of October 1, 2024, to September 30, 2025.

Staff reviewed the information provided and worked with CMR Insurance on changes/updates as required. The following table has been prepared to analyze the increase in premiums:

| | <u>2023-2024</u> | <u>2024-2025</u> | Increase | |
|--------------------------------|-------------------|-------------------|------------------|-------------|
| | | | \$ | % |
| Casualty | | | | |
| General Liability | \$ 100,928 | \$ 106,984 | \$ 6,056 | 6.0% |
| Errors and Omissions Liability | \$ 9,641 | \$ 10,219 | \$ 578 | 6.0% |
| Non-Owned Automobile Liability | \$ 190 | \$ 190 | \$ - | 0.0% |
| Environmental Liability | \$ 9,741 | \$ 10,325 | \$ 584 | 6.0% |
| Crime | \$ 1,722 | \$ 1,722 | \$ - | 0.0% |
| Board Members Accident | \$ 1,660 | \$ 1,660 | \$ - | 0.0% |
| Volunteers' Accident | \$ 163 | \$ 163 | \$ - | 0.0% |
| Conflict of Interest | \$ 455 | \$ 455 | \$ - | 0.0% |
| Legal Expense | \$ 992 | \$ 1,027 | \$ 35 | 3.5% |
| | | | | |
| Property | | | | |
| Property | \$ 78,004 | \$ 101,280 | \$ 23,276 | 29.8% |
| Equipment Breakdown | \$ 3,190 | \$ 3,350 | \$ 160 | 5.0% |
| | | | | |
| Automobile | | | | |
| Owned Automobile | \$ 97,837 | \$ 97,837 | \$ - | 0.0% |
| | | | | |
| Excess | | | | |
| Follow Form - 1st layer | \$ 2,753 | \$ 2,919 | \$ 166 | 6.0% |
| Follow Form - 2nd layer | \$ 3,974 | \$ 4,212 | \$ 238 | 6.0% |
| | | | | |
| Aviation | | | | |
| Aircraft Liability | \$ 2,300 | \$ 2,300 | \$ - | 0.0% |
| | | | | |
| Total Annual Premium | \$ 313,550 | \$ 344,643 | \$ 31,093 | 9.9% |
| (Excluding Taxes Payable) | | | | |

The overall increase in insurance compared to last term is 9.9% with the largest increase being in Property. This is primarily due to increased property value as well as claims experience.

Also note that the Township's deductible has increased from \$10,000 to \$15,000 for General Liability & Errors and Omissions as well as our Property policy. This is due to claim experience.

Internal Policy and Legislated Requirements:

The Township is required to carry insurance in these areas.

Financial and Resource Implications:

The 2024 budget contained a total of \$311,933 for insurance; with \$4,100 budgeted under the Building department and \$6,710 by the water/wastewater departments. The total insurance cost for 2024 after applicable HST is \$326,978; this results in a shortfall of \$15,045. Staff recommend trying funding this shortfall with gapping dollars in the operational budget and if needed, with the tax stabilization reserve fund.

Strategic Priorities:

Priority: Operational Excellence

Goal: Goal 10: Position Southgate as a Leading Small, Rural Municipal Employer

Action Item: 11 c). Continue to Collaborate Across Township Departments to Streamline By-laws, Policies, and Programs to Ensure Services are in Line with Legislative Requirements and Industry Standards

Attachments:

Attachment #1 - Southgate Claims Audit - Confidential (included under Closed Consent agenda)