

Department: Corporate Services

Business Unit: Finance

Presented/

Prepared By: Wendy Parr, Director of Finance & Treasurer

Report Number:

F2025-05

Meeting Date:

3/27/2025

Subject

Insurance Renewal 2025

Recommendation

That Council hereby receives report number F2025-05 “Insurance Renewal 2025” for information;

And that Council approves Marsh Canada Inc. comprehensive insurance coverage for the term of April 1, 2025, to April 1, 2026, for the annual premium of \$263,983 plus tax.

Background

In 2019, after a formal RFP process, Council approved Jardine Lloyd Thompson Canada Inc. (now Marsh Canada Inc.) as the Town of Erin Insurance Brokers. In 2024 the cost of insurance was \$240,972 (plus tax) compared to the renewal price of \$263,983 plus tax, representing an overall increase of 9%.

Discussion

According to Marsh Canada, the following are an outline of the changes from the expiring policy.

Municipal General Liability, including Environmental Impairment Liability (EIL)

- 5% Increase in Primary Liability due to market inflationary changes.
- 5% Increase in Environmental Impairment Liability due to market inflationary changes.
- Abuse limit has increased to \$2,000,000 any one claim and in the aggregate, but the retro date remains April 1, 2016.
- Note: Communicable Disease Coverage is provided for \$1,000,000
- Excess liability: Both layers increased by a standard 5% due to market inflationary changes.

Property

- Total insured values increased by approximately 12%

- Due to the lightning loss in July 2024 the rate increase could be up to 20%. However, considering the large increase that was applied on the last renewal and the long-term relationship with Marsh, the rate increase was controlled to 8%.
- Under Combined Physical Damage & Machinery Breakdown, the Blanket POED limit is \$54,045,791, based on the property schedule provided by the Town. Should any change be made from the date of the renewal quotation to the effective date of the renewal policy, the renewal terms may change. A copy of the 'revised' Property Schedule will need to be provided to Marsh by the renewal effective date.

Automobile

- Standard minimum 3% rate increase applied due to market inflationary changes.
- The proposal is based on the Automobile schedule provided by the Town. Should any changes be made from the date of the renewal quotation to the effective date of the renewal policy, the renewal terms may change. A copy of the 'revised' Vehicle Schedule will need to be provided to Marsh by the renewal effective date.

Annual Low Risk Event Liability

- Premium remained flat
- Excludes full-contact sport activities such as Karate, which was outlined in the application.
- Excludes overnight camps.

Cyber Liability

- Premium remained flat – no change
- Coverage limits have changed from 'each claim' to 'in the Aggregate'.
- Definitions have been amended.

Strategic Pillar

Service Excellence & Good Governance

Financial Impact

The 2025 Budget allocated \$271,445 to Insurance. This covers 100% of the 2025 Insurance including tax.

Conclusion

That Council receives the report F2025-05 and that council approves Marsh Canada Inc. comprehensive insurance coverage for the term of April 1, 2025 to April 1, 2026 for the annual premium of \$263,983 plus applicable tax.

Attachments

Appendix A – JLTP-436 – Corporation of the Town of Erin 25 26 Proposal

Wendy Parr

Director of Finance & Treasurer

Rob Adams

Chief Administrative Officer