



The Corporation of the Town of LaSalle

Date:	December 1, 2017	Report No:	FIN-35-2017
Directed To:	Members of Council	Attachments:	-Schedule of Coverage
Department:	Finance		
Prepared By:	Joe Milicia, CPA ,CA Director of Finance & Treasurer Kevin Miller Chief Administrative Officer	Policy References:	None
Subject:	Insurance Renewal		

Recommendation:

- That Council authorize the renewal of the annual insurance program with JLT Canada

Report:

Administration has had the opportunity to meet with our local insurance broker to review the 2017-18 insurance program (for the period December 31, 2017 to December 30, 2018). Attached is the report which contains the schedule of coverage and summary of changes to the insurance program.

Council will note that the insurance premium is proposed to decrease from \$501,335 to \$499,265, despite an increase of 4% in the value of the assets under coverage. Administration is recommending the renewal based on the service levels to date and premium adjustment proposed. None of the additional optional coverages are being recommended at this time

Yours truly,

Joe Milicia, CPA, CA
Director of Finance & Treasurer

Reviewed by:						
CAO	Finance	Council Services	Public Works	Development & Strategic Initiatives	Culture & Recreation	Fire Services

Jardine Lloyd Thompson Canada Inc.



Public Sector Division

Box 3, Suite 1200, 55 University Avenue, Toronto, ON M5J 2H7

Phone: 416 941 9551 **Toll Free:** 800 268 9189 **Fax:** 416 941 9022

MUNICIPAL INSURANCE PROGRAM

PROPOSAL

Corporation of the Town of LaSalle

Date of Issue: November 23, 2017

Prepared by: Jennifer Roach

Direct phone line: 416-644-4818

E-mail address: jroach@jltcanada.com



IMPORTANT – PLEASE NOTE THE FOLLOWING

This proposal should be read in conjunction with the JLT Canada "Business Protocols" booklet.

DUTY OF DISCLOSURE

In addition to providing all basic information necessary to enable us to place the risk, you must ensure that you are complying with your legal duty of disclosure of all material matters relating to the risk. In particular, you must satisfy yourself as to the accuracy and completeness of the information you provide to insurers. In this respect, you must provide all information relating to the risk, whether favorable or not, which would influence the judgement of a prudent insurer in determining whether he will take the risk, and, if so, for what premium and on what terms. If all such information is not disclosed by you, insurers have the right to void the policy from its inception which may lead to claims not being paid.

PAYMENT TERMS

Premiums are due and payable on receipt of a JLT invoice. Payment should be made immediately to avoid any possible cancellation for non-payment of premium.

PERIOD OF VALIDITY OF QUOTE

This offer remains open for acceptance by the Insured until the expiry of the current Municipal Insurance program policy (ies).

BREACH OF WARRANTY OR SUBJECTIVITY

If any of the terms and conditions contained in this proposal are identified as a "warranty" or as a subjectivity to binding or continuing cover, you should be aware that if the terms of the warranty as stated are breached or the subjectivity is not met, insurers may have the right to void the applicable coverage and deny any resulting or subsequent losses as a result.

UNDERINSURANCE

It is important that all policy limits and amounts insured be reviewed carefully and at least annually to be certain they are adequate to provide full recovery in event of a loss.

UNDERWRITING / BINDING AUTHORITY

Certain portions of this quotation of cover have been provided by JLT acting in an underwriting capacity on behalf of the Insurer who, under a binding authority agreement, has given us authority to quote and confirm insuring terms, conditions and premiums. JLT Canada is not acting as an insurance broker in this instance and is not providing alternative terms or markets for the cover other than as quoted. For covers where JLT does not act in an underwriting capacity nor has a binding authority agreement with the Insurer, coverage cannot be bound with those Insurers unless a request is made to the Insurer and confirmation of coverage is subsequently received by JLT Canada from the Insurer.

MATERIAL CHANGES FROM EXPIRING POLICY

You should carefully note any items identified in the "Changes from Expiry" section under each coverage as they represent material changes in cover from your previous policy.



RISK AND CLAIMS INFORMATION

This proposal has been based on the risk and claims information provided and/or verified by you to JLT. If any of this information is not correct or has changed in the interim, you must advise us immediately as the terms quoted may therefore be invalid and cover cannot be bound as quoted.

**TAXES PAYABLE BY
INSUREDS:**

The following taxes as prescribed by federal and/or local laws and regulations will apply to all or certain portions of the premiums quoted and will be charged by JLT in addition to the premiums quoted:

Provincial Sales Tax



SUMMARY OF COVERAGE, LIMITS AND DEDUCTIBLES

Name of Insured: **Corporation of the Town of LaSalle**
 Policy Period: **December 31, 2017 to December 31, 2018**
 12:01 a.m. local time at the mailing address of the Named Insured

CANADIAN COUNCILS LIABILITY		
LIMIT OF LIABILITY	General Liability <u>(including Sudden And Accidental Pollution)</u> : \$ 5,000,000 any one Occurrence and in the Annual Aggregate for Products and Completed Operations during the Policy Period	
EXTENSIONS OF COVERAGE	Extension	Limit
	Employers' Liability	\$ 5,000,000 any one Claim
	Tenant Legal Liability	\$ 5,000,000 any one Occurrence
	Employee Benefit Liability	\$ 5,000,000 any one Claim
	Incidental Medical Malpractice Retro Date: November 15, 1993	\$ 5,000,000 any one Claim
	Voluntary Medical Payments	\$ 50,000 any one Claim and in the Annual Aggregate during the Policy Period
	Forest Fire Fighting Expense	\$ 2,000,000 any one Occurrence and in the Annual Aggregate during the Policy Period
	Voluntary Payment for Property Damage	\$ 50,000 any one Occurrence and in the Annual Aggregate during the Policy Period
	Incidental Garage Operations	\$ 250,000 any one Occurrence and in the Annual Aggregate during the Policy Period
	Municipal Marina Legal Liability	\$ 100,000 any one Pleasure Craft \$ 1,000,000 in the Annual Aggregate for Legal Liability for Property Damage during the Policy Period
	Wrongful Dismissal (Legal Expense)	\$ 500,000 any one Claim and in the Annual Aggregate during the Policy Period
	Conflict of Interest Reimbursement Expenses	\$ 100,000 any one Claim
	Legal Expense Reimbursement Expenses	\$ 100,000 any one Claim \$ 500,000 in the Annual Aggregate



CANADIAN COUNCILS LIABILITY		
	Non-Owned Automobile (including Contractual Liability for Hired Autos)	\$ 5,000,000 any one Occurrence
	Legal Liability for Damage to Hired Autos	\$ 250,000 any one Occurrence
	Wrap-up Liability – Difference in Conditions and Difference in Limits	\$ 5,000,000 any one Occurrence
ENDORSEMENTS	Endorsement	Limit
	Municipal Errors and Omissions Liability Retroactive Date: Unlimited	\$ 5,000,000 any one Claim and in the Annual Aggregate during the Policy Period
	Environmental Impairment Liability Retroactive Date: Unlimited	\$ 5,000,000 any one Claim and \$ 5,000,000 in the Annual Aggregate during the Policy Period
	Abuse / Molestation Liability Retroactive Date: December 31, 2015	\$ 250,000 any one Claim and \$ 500,000 in the Annual Aggregate during the Policy Period
	Voluntary Compensation	As per Endorsement No. 4 – Schedule of Benefits
	Police Officer Assault	\$ 5,000,000 any one Occurrence
DEDUCTIBLE(S)	Applicable Coverage	Deductible
	Public Entity General Liability	\$ 50,000 per Occurrence except per Claimant in respect of Sewer Backup
	Extensions of Coverage	\$ 50,000 per Occurrence / per Claimant for all Extensions of Coverage except: \$NIL with respect to Non-Owned Automobile Liability, Conflict of Interest and Legal Expense Reimbursement; and Voluntary Compensation; \$ 1,000 with respect to Legal Liability for Damage to Hired Autos \$ 5,000 with respect to Wrongful Dismissal (Legal Expense)
	Municipal Errors and Omissions Liability	\$ 50,000 per Claim
	Environmental Impairment Liability	\$ 25,000 per Claim
	Abuse / Molestation Liability	\$ 50,000 per Claim
	Police Officer Assault	\$ 50,000 per Occurrence



CANADIAN COUNCILS LIABILITY							
ENDORSEMENTS	<p align="center">3 Year Long Term Agreement Primary CAD 5,000,000 / CAD 50,000 Deductible</p> <p>The policy will be renewed annually for a period of three years expiring on 31 December 2019 on the existing terms and conditions with the premiums paid annually in advance, as follows:-</p> <table><tr><td>31 December 2016 to 31 December 2017</td><td>CAD 361,095 (Gross)</td></tr><tr><td>31 December 2017 to 31 December 2018</td><td>CAD 361,095 (Gross)</td></tr><tr><td>31 December 2018 to 31 December 2019</td><td>CAD 361,095 (Gross)</td></tr></table> <p>However terms and conditions may be reviewed 60 days prior to annual renewal if any of the following apply:</p> <ul style="list-style-type: none">• Pertinent changes in reinsurance cover• there is an increase of 15% or more in population numbers• there are legislative changes that may impact upon the value or frequency of claims against the policy• there is a change in the exposure of the insured (as per the business description) or;• the value of Incurred Claims exceeds 40% of net premium (excluding Taxes) for any one Period of Insurance to which this agreement relates.• there has been significant adverse development on historical loss record in any of the prior 7 policy years whereby Incurred Claims exceed 50% of the Net Premium. <p>The term "Incurred Claims" means the total cost of claims including actual claim payments (including medical, legal and other costs and expenses) and reserves set by the Insurers on outstanding claims (also including such costs and expenses). "Net Premium" means the premium received by the Insurers net of tax and any commissions or other deductions.</p> <p>All other terms and conditions remain unaltered.</p>	31 December 2016 to 31 December 2017	CAD 361,095 (Gross)	31 December 2017 to 31 December 2018	CAD 361,095 (Gross)	31 December 2018 to 31 December 2019	CAD 361,095 (Gross)
	31 December 2016 to 31 December 2017	CAD 361,095 (Gross)					
	31 December 2017 to 31 December 2018	CAD 361,095 (Gross)					
	31 December 2018 to 31 December 2019	CAD 361,095 (Gross)					
	POLICY FORM	EK1601219000 (2016) UMR B0901EK1701869000					
INSURER(S) AND PROPORTION OF PARTICIPATION(S)	Certain Lloyd's Underwriters (Syndicate 1886) – 100%						
SUBJECT TO	Terms will remain as indicated subject to no claims deterioration as of December 31, 2017.						
CHANGES FROM EXPIRING POLICY	UMR No. B0901EK1701869000						



CANADIAN COUNCILS UMBRELLA LIABILITY		
LIMITS OF LIABILITY	\$ 45,000,000	any one Occurrence
	\$ 45,000,000	in the Annual Aggregate in respect of Products & Completed Operations
	\$ 45,000,000	in the Annual Aggregate in respect of Municipal Errors and Omissions Liability
	\$ 45,000,000	in the Annual Aggregate in respect of Employee Benefits Liability
EXCESS OF UNDERLYING COVERAGE(S) AND LIMIT(S)	Underlying Coverage	Underlying Limit
	General Liability	\$ 5,000,000 any one Occurrence
	Incidental Medical Malpractice	\$ 5,000,000 any one Claim
	Non-Owned Automobile Liability	\$ 5,000,000 any one Occurrence
	Municipal Errors & Omissions Liability	\$ 5,000,000 any one Claim
	Owned Automobile Liability	\$ 5,000,000 any one Occurrence
	Employee Benefits Liability	\$ 5,000,000 any one Claim
RETAINED LIMIT	\$ Nil	
ENDORSEMENTS	Endorsement #1 - Standard Excess Automobile Liability Policy SPF No. 7 Follow Form Named Insured	
POLICY FORM	EK1601216000 (2016) UMR B0901EK1701885000	
INSURER(S) AND PROPORTION OF PARTICIPATION(S)	Certain Lloyd's Underwriters (Syndicate 1886) – 100%	
SUBJECT TO	Terms will remain as indicated subject to no claims deterioration as of December 31, 2017.	
CHANGES FROM EXPIRING POLICY	UMR No. B0901EK1701885000	



COMBINED PHYSICAL DAMAGE & MACHINERY BREAKDOWN		
COVERAGE	Property Of Every Description – All Risks of Direct Physical Loss or Damage (Subject to Policy Exclusions)	
LIMITS	\$ 84,745,087	Limit of Loss on Blanket Property of Every Description including Machinery Breakdown
	\$ 500,000	Computer / Electronic Data Processing (Included in Blanket Limit)
	\$ 231,000	Business Interruption – Profits (Included in Blanket Limit)
	\$ 220,200	Watercraft Floater (Included in Blanket Limit)
	\$ 25,000	Extra Expense – Computer (Included in Blanket Limit)
EXTENSIONS OF COVERAGE	The Limits shown below are included in the Blanket Limit shown above:	
	Extension	Limit
	Valuable Papers	\$ 500,000
	Extra Expense	\$ 500,000
	Accounts Receivable	\$ 500,000
	Gross Rentals	\$ 500,000
	Computer Media	\$ 500,000
	Fine Arts (Agreed Value)	\$ 50,000
	The Limits shown below are in addition to the Blanket Limit shown above:	
	Extension	Limit
	Newly Acquired Property	\$ 1,000,000
	Buildings in the Course of Construction	\$ 1,000,000
	Property in Transit	\$ 500,000
	Unnamed Locations	\$ 1,000,000
	Expediting Expense	\$ 500,000
	Business Interruption – Profits	\$ 300,000 subject to Maximum of \$25,000 per Month
	Contingent Business Interruption	\$ 1,000,000
	Fire Extinguishing Materials and Fire Fighting Expense	\$ 100,000
	Professional Fees	\$ 500,000
	Hacking Event or Computer Virus attack – any one Random Attack or Any One Specific Attack, any one event or total loss in a policy year for the combined total loss or damage	\$ 100,000



COMBINED PHYSICAL DAMAGE & MACHINERY BREAKDOWN		
EXTENSIONS OF COVERAGE CONTINUED	The Limits shown below are in addition to the Blanket Limit shown above:	
	Extension	Limit
	Master Key	\$ 10,000
	Land and Water Pollution Clean Up Expense	\$ 100,000
	Stock Spoilage	\$ 100,000
	Consequential Damage	\$ 100,000
	Off Premises Service Interruption	\$ 1,000,000
	Exhibition Floater	\$ 100,000
	Ammonia Contamination	\$ 500,000
	Water Escape	\$ 500,000
	Hazardous Substance	\$ 500,000
	Property of Councillors', Board Members' and Employees'	\$ 5,000 any one loss (\$25,000 maximum annual policy limit)
ENDORSEMENTS	Automobile Replacement Cost Deficiency Endorsement	
DEDUCTIBLE(S)	\$ 25,000 each Occurrence for All Losses except: \$ 1,000 each Computer/Electronic Data Processing loss \$ 50,000 each Flood Loss 5% of total loss or \$100,000 minimum, whichever is greater, each Earthquake occurrence. \$ 1,000 each Fine Arts Loss	
POLICY FORM	Municipal Insurance Program - Master Policy (February 1, 2017)	
INSURER(S) AND PROPORTION OF PARTICIPATION(S)	Physical Damage: Aviva Insurance Company of Canada – 70% The Sovereign General Insurance Company – 30% Machinery Breakdown: Aviva Insurance Company of Canada – 100%	



COMBINED PHYSICAL DAMAGE & MACHINERY BREAKDOWN	
SUBJECT TO	<ol style="list-style-type: none"> 1. All cooking facilities are ULC wet chemical compliant with semi-annual maintenance contract and Class K portable extinguisher. 2. Unless specifically agreed, all heritage properties are covered for Replacement Cost only. For Heritage Replacement Cost, a professional appraisal must be provided for approval by the insurer. 3. All locations may be subject to Engineering Inspection. 4. Terms will remain as indicated subject to no claims deterioration as of December 31, 2017
CHANGES FROM EXPIRING POLICY	<ol style="list-style-type: none"> 1. Certain Lloyd's Underwriters – 17.8% is removed as an insurer. 2. Insurer participation of the Sovereign General Insurance Company is increased from 12.2% to 30.0%.



COMPREHENSIVE CRIME	
LIMITS	\$ 1,000,000 Employee Dishonesty – Form A \$ 200,000 Broad Form Loss of Money (Inside Premises) \$ 200,000 Broad Form Loss of Money (Outside Premises) \$ 200,000 Money Orders & Counterfeit Paper Currency \$ 1,000,000 Depositors Forgery \$ 200,000 Professional Fees / Audit Expenses \$ 200,000 Computer Fraud or Funds Transfer Fraud
DEDUCTIBLE	\$Nil per Loss
POLICY FORM	Master Crime Wording (Apr. 2012)
INSURER(S) AND PROPORTION OF PARTICIPATION(S)	Aviva Insurance Company of Canada – 100%
SUBJECT TO	Important: 1. Bank Accounts NOT being reconciled by the same person(s) authorized to deposit and withdraw funds. 2. All cheque requisitions and issued cheques containing dual signatures. If the above is not part of your internal Financial controls, please provide explanation(s). 3. Terms will remain as indicated subject to no claims deterioration as of December 31, 2017.



AUTOMOBILE INSURANCE (ONTARIO)		
COVERAGE APPLICABLE	Liability – Bodily Injury / Property Damage	Limit: \$5,000,000
	Accident Benefits – Basic Benefits	Limit as stated in Policy
	Uninsured Automobile	Limit as stated in Policy
	Direct Compensation – Property Damage	Limit as stated in Policy
	Loss or Damage – All Perils	Deductible: \$ 50,000
ENDORSEMENTS	<p>Notice of Cancellation Ninety (90) Days</p> <p>OPCF 43R Removing Depreciation Deduction – 24 Months New OPCF 20 Loss Of Use – Applicable to Twenty-Eight (28) Light Units OPCF 21B Blanket Fleet Endorsement – No Annual Adjustment OPCF 31 Non-Owned Equipment OPCF 24 Freezing of Fire-Fighting Apparatus OPCF 44 Family Protection Endorsement: (Applicable only to Private Passenger Vehicles, Light Commercial Vehicles, Skidoos and All Terrain Vehicles, and Police Vehicles)</p> <p><u>Additional Endorsements:</u> OPCF 3 Drive Government Automobiles OPCF 4A Permission to Carry Explosives OPCF 4B Permission to Carry Radioactive Material OPCF 5 Permission to Rent or Lease OPCF 32 Use of Recreational Vehicles by Unlicensed Drivers</p> <p>Tarmac Exclusion</p>	
POLICY FORM	Provincial Statutory Owner's Policy	
INSURER(S) AND PROPORTION OF PARTICIPATION(S)	Aviva Insurance Company of Canada – 100%	
SUBJECT TO	<ol style="list-style-type: none"> 1. Provision of updated drivers list to insurer. 2. Terms will remain as indicated subject to no claims deterioration as of December 31, 2017. 	



COUNCILLORS' ACCIDENT COVERAGE	
LIMITS OF COVERAGE	\$ 250,000 Principal Sum
INCLUDED COVERAGE	Number of Councillors: Seven (7)
	24 Hour Coverage
POLICY FORM	Insurer's Standard Form
INSURER(S) AND PROPORTION OF PARTICIPATION(S)	AIG Insurance Company of Canada – 100%
SUBJECT TO	<ol style="list-style-type: none"> 1. \$2,500,000 Aggregate Limit of Indemnity Per Accident 2. Terms will remain as indicated subject to no claims deterioration as of December 31, 2017.



MUNICIPAL VOLUNTEERS ACCIDENT COVERAGE	
LIMITS OF COVERAGE	\$ 50,000 Principal Sum – Volunteers of the Policyholder While on Duty Only under the age of 80
POLICY FORM	Insurers Standard Form
INSURER(S) AND PROPORTION OF PARTICIPATION(S)	AIG Insurance Company of Canada – 100%
SUBJECT TO	<ol style="list-style-type: none"> 1. \$1,000,000 Aggregate Limit of Indemnity Per Accident 2. Terms will remain as indicated subject to no claims deterioration as of December 31, 2017.



RISK MANAGEMENT	
ELECTED OFFICIAL, DIRECTORS AND DEPARTMENTAL SEMINARS	Included
AUTOMOBILE FLEET SERVICES	Risk and Driver Assessment included

PREMIUM SUMMARY	
TOTAL ANNUAL PREMIUM (OPTIONS NOT INCLUDED)	\$ 499,265 plus any applicable provincial sales tax



MUNICIPAL OPTIONS	
Automobile Insurance	<p>To Add Limit \$2,500 / Daily Maximum \$1,500 Loss of Use to Twelve (12) heavy commercial vehicles over 4,500 kgs, excluding Public Emergency Vehicles ie: Fire, Ambulance and Police, and Transit Vehicles – Annual Additional \$3,600</p> <p>Additional Limits available in \$500 increments up to a maximum of \$10,500 – Quotation available upon request.</p>
Out of Province Emergency Medical	<p>Based on Seven (7) Members – under the age of 80 – Annual Additional \$420</p> <p>To increase the Trip Duration from 15 days to 30 days – Annual Additional \$490</p>
Public Entity Recovery Assistance Plan (Critical Illness)	<p>Based on Seven (7) Members – age 69 or less</p> <p>\$5,000 limit – Annual Additional \$764 \$10,000 limit – Annual Additional \$1,195</p>
Volunteer Fire Fighters Accident	Quotation available upon request.
Annual Low Risk Events Liability	Quotation available upon request

Corporation of the Town of LaSalle			
Year	2016-2017	2017-2018	Premium/Rate Difference
Population- Liability	27,700	27,700	0
Deductible	50,000	50,000	
Premium:	361,095	361,095	0
Automobile - Number of Vehicles	93	83	-10
Deductible	50,000	50,000	
Premium:	50,590	46,383	-4,207
Blanket Property Limit	81,612,160	84,745,087	3,132,927
Deductible	25,000	25,000	
Premium:	53,937	56,074	2,137
Environmental Liability Premium	7,500	7,500	0
Crime Premium	1,000	1,000	0
Umbrella Liability Premium	24,930	24,930	0
Councillors Accident	1,533	1,533	0
Volunteer Accident	750	750	0
TOTAL PREMIUM	501,335	499,265	-2,070
Overall Percentage Change		0 %	
As of: November 23, 2017 - JR			