



Administrative Report

Office of the Director of Financial Services/Treasurer

To: Warden McNamara and Members of Essex County Council

From: Sandra Zwiers, MAcc, CPA, CA
Director of Financial Services/Treasurer

Date: Wednesday, June 16, 2021

Subject: 2021/2022 Comprehensive Insurance Program
Renewal Update

Report #: 2021-0616-FIN-R09-SZ

Purpose

To provide Council with an update on the comprehensive insurance program renewal process and to seek approval for the delegation of authority.

Background

The Corporation's commercial general liability program expires on June 30, 2021. Since early March, Administration has been working with AON to respond to renewal questionnaires to secure renewal terms for the upcoming one-year term.

Discussion

Similar to the unusual circumstances in 2020, AON is unable to provide Administration with a complete renewal quote for review and presentation to County Council in time for its second council meeting in June. Prior to 2020, there was no issue in receiving a complete package for approval by County Council in alignment with the council meeting schedule.

The municipal insurance market has continued to harden over the last twelve months. Additionally, the market is reporting delays as a result of COVID-19 pressures on its workforce. AON reports that a renewal package

will be received prior to the expiration of the Corporation's current program, however, it will not be received in time for the June 16, 2021 regular meeting of County Council.

In 2020, when this circumstance first arose, a verbal report was provided by the CAO, Robert Maisonville and a request for delegated authority was proposed.

At its June 17, 2020 meeting, County Council approved the following motion:

121-2020

Moved By Marc Bondy

Seconded By Gord Queen

That County Council delegate authority to the CAO to approve, prior to the June 30, 2020 expiration date, the County of Essex Comprehensive Insurance Program for the period June 30, 2020 to June 30, 2021;

And further that Administration provide County Council with a formal report regarding the approved Comprehensive Insurance Program at the July 15, 2020 regular meeting of County Council. **CARRIED**

Administration is seeking the same delegation of authority to the CAO, Mike Galloway to address the approval of the June 30, 2021 to June 30, 2022 program prior to its expiry on June 30, 2021.

The Director of Financial Services / Treasurer will prepare a follow up report for County Council's information at its July 21st regular meeting.

Financial Implications

Estimates received to date suggest a year over year increase in our total premium cost by a minimum of 12%. Once complete details are received, a full financial analysis will be performed and reported to Council. The 2021 Budget anticipated further upward pressure on the Corporation's premium costs. A statement as to the ability to absorb the negative year over year variance will be made as part of the July 21st report to County Council.

Recommendation

That County Council delegate authority to the CAO to approve, prior to the June 30, 2021 expiration date, the County of Essex Comprehensive Insurance Program for the period June 30, 2021 to June 30, 2022;

And further, that Administration provide County Council with a formal report regarding the approved Comprehensive Insurance Program at the July 21, 2021 regular meeting of County Council.

Respectfully Submitted

Sandra Zwiers

Sandra Zwiers, MAcc, CPA, CA, Director of Financial Services/Treasurer

Concurred With,

Mike Galloway

Mike Galloway, Chief Administrative Officer