



Administrative Report

Office of the Chief Administrative Officer

To: Warden MacDonald and Members of Essex County Council

From: Sandra Zwiers, MAcc, CPA, CA
Chief Administrative Officer

Date: Wednesday, July 19, 2023

Subject: 2023-2024 Comprehensive Insurance Program
Renewal

Report #: 2023-0719-FIN-R16-SZ

Purpose

The purpose of this report is to advise County Council of the purchase of Comprehensive Insurance Program Coverage for the twelve-month period from June 30, 2023 to June 30, 2024.

Background

AON Risk Services (AON) prepared a comprehensive general insurance program for the twelve-month period from June 30, 2023 to June 30, 2024.

The premiums presented are a result of negotiations between County Administration and AON, reflecting the operating realities of the County of Essex and the insurance industry in general.

The County last went to market through an RFP process in 2014. At that time the County benefited from overall program savings and took advantage of a softer insurance market by increasing coverage sub limits at relatively low incremental premium costs. The last four program years were impacted by a hardening of the insurance market with carriers reassessing their risk tolerances across all lines of municipal coverage. A municipal market with already few players witnessed considerable tightening during this period. A slight shift has occurred since our last renewal with signs of market softening starting to emerge. Decisions by carriers to divest of riskier clients has afforded the remaining client group a slightly wider window to negotiate limits and premiums.

Discussion

At the meeting held on June 21, 2023, County Council passed the following resolution:

164-2023

Moved By Larry Verbeke
Seconded By Tracey Bailey

That Essex County Council delegate authority to the Interim CAO to approve, prior to the June 30, 2023 expiration date, the County of Essex Comprehensive Insurance Program for the period June 30, 2023 to June 30, 2024:

And further, that Administration provide County Council with a formal report regarding the approved Comprehensive Insurance Program at the July 19, 2023 regular meeting of County Council. – **Carried**

Subsequent to the June 21, 2023 council meeting, Administration worked with AON representatives to secure a competitive renewal program that provides adequate coverage for the Corporation's balanced risk management needs.

On June 28, 2023, the Interim CAO approved the renewal proposal.

Financial Implications

The Comprehensive Insurance Program for 2023-2024 was negotiated at a premium cost of \$1,059,582 (exclusive of applicable taxes). The renewal represents a cost savings of \$51,027 or 4.59% over the expiring program. The 2023 Budget anticipated an increase in insurance costs of approximately 5%. Actual savings realized by year end will be considered for transfer to the Corporation's Insurance Contingency Reserve to mitigate unforeseen claim costs in future periods.

Consultations

David Sundin, County Solicitor
Christopher Beneteau, AON Risk Services
Michelle Hobson, AON Risk Services

Recommendation

That Essex County Council receive for information Report #2023-0719-FIN-R16-SZ, highlighting the results of the Comprehensive Insurance Program

Renewal negotiations for the period commencing June 30, 2023 to June 30, 2024 at \$1,059,582 plus applicable taxes, having been approved by the Interim CAO on June 28, 2023 in accordance with Resolution 164-2023.

Approvals

Respectfully submitted,

Sandra Zwiers

Sandra Zwiers, MAcc, CPA, CA, Chief Administrative Officer and Director,
Financial Services/Treasurer

Appendix Number	Title
N/A	N/A