



MEMORANDUM

TO: Mayor Lawlor and Members of Council

FROM: Kathleen Reinhardt, Risk & Insurance Advisor

DATE: May 6, 2024

MEMO NO.: CS-2024-002

SUBJECT: 2023 Insurance Claim Activity

PURPOSE OF THE MEMORANDUM:

The purpose of this memorandum is to provide Council with an update on the insurance claim activity from 2023.

BACKGROUND:

Staff prepare this memo annually detailing the insurance claim activity for the previous year. Claims against the Town are categorized according to the Town's insurance policies to which they apply. The Town's insurance policies are broken down into the following categories:

<u>Policy</u>	<u>Purpose</u>
Automobile	Town-owned vehicles
Errors & Omissions	Third party claims for damage of financial loss arising out of any actual or alleged wrongful act committed by Town staff
General Liability	Third party claims such as: - Bodily injury related to slip/trip and falls or road maintenance - Property or vehicle damage
Property	Town property

COMMENTS:

This memorandum provides general information on insurance claim activity that the Town received during 2023. The chart below provides details of the 2023 claim activity and includes claim activity statistics for the years 2021 and 2022, for comparison purposes.

Insurance Claims as at December 31, 2021, 2022 & 2023											
Category	2021 Claims Results			2022 Claims Results			2023 Total Results (Incidents and Claims)				
	Claims Received	Claims Closed	Claims Open	Claims Received	Claims Closed	Claims Open	Incidents Received	Incidents Closed	Claims Received	Total Claims Closed	Total Claims Open
Town-owned Auto	0	0	0	3	1	2	5	5	3	2	1
Errors and Omissions	1	0	1	2	0	2	0	0	1	0	1
General Liability	44	30	14	61	43	18	45	45	64	55	9
Property	0	0	0	1	1	0	0	0	0	0	0
Total Claims	45	30	15	67	45	22	50	50	68	57	11
Percentage Growth				49%					1%		

As of 2023, staff started to record incidents as well as claims, which make the numbers notably higher. This helps paint a clearer picture of the actual volume of claims being received and processed by staff. Incidents and claims both require a review by staff and oftentimes a consultation with the Town's insurers to obtain clarification where required.

The difference between an incident and a claim, for example, is that an incident may involve a claimant making a claim that falls outside of the Town's jurisdiction, in which case the incident is logged, and the claimant is notified to submit a claim to the correct municipality. Whereby a claim is an actual claim made against the Town of Halton Hills. The process for handling claims varies depending on the level of complexity, however all claims are initially logged and sent to the Town's Insurance Adjuster for investigation. Further information such as road patrol records may be required to aid in the adjuster's analysis.

68 claims and 50 incidents were received in 2023, totaling 118 logged. All 50 incidents were logged and closed in 2023 and 57 of the 68 claims received were closed, leaving 11 remaining open at the end 2023. The claims volume has increased by 1% over 2022 and reporting on the incident volume year over year change will commence in 2025 once the second year of incident data has been captured. The number of claims received in 2022 and 2023 more closely represents pre-COVID numbers.

The largest volume of claims received falls under the Commercial General Liability (CGL) category. Examples of CGL claims are pothole damage to third party automobiles and personal injuries and fatalities from slip, trip and falls or motor vehicle accidents.

There were 64 CGL claims received in 2023 are they are broken down as follows:

- 10 claims were for personal injuries and all but 2 of these remained open at the end of the year. These types of claims are complex and require litigation to arrive at a conclusion.
- 54 claims were for damage caused to a third-party vehicle and/or property. These smaller claims are typically lower in value and easier for staff to quickly handle and close.

In addition to the log count in the table above, there were a further 19 open or re-opened claims at the end of December 2023 that are being carried over from previous years, some of which date as far back as 2015. These are mainly related to claims that are in litigation which take many years to resolve.

Multiple line painting incidents were reported in 2023, however they are not reflected in the log count above unless the claimant completed the online claims submission form.

Line painting claims are the responsibility of the line painting contractor and instead these types of claims go directly to the Traffic Coordinator in the Transportation and Public Works department. The Traffic Coordinator will then notify the contractor who is obliged to contact residents within 48 hours of receiving the claim to advise them that a review is underway. The paint damage assessment is required to be completed by the contractor within two (2) weeks of receiving notification of the claim, and both the Town and resident must be notified of the results. In instances where there is a dispute between the claimant(s) and the contractor, the claimant is directed to contact their own insurance company, who in turn will contact the contractor's insurance company to deal with the claim.

The Town has a deductible of \$100,000 per claim for all insurance categories except property and automobile, where the deductible is \$25,000. Prior to 2022, the Town's deductibles were \$5,000 for automobiles and \$15,000 for all other lines of coverage. This measure was taken to help lessen the impact of insurance premium increases.

CONCLUSION:

This information is to provide Council with an update on the 2023 insurance claim activity by policy category. Insurance claim data informs the Town's risk management activities and can assist with budget planning as it provides information on potential future claims exposure.

Reviewed and approved by,

Moya Jane Leighton, Director of Finance & Town Treasurer

Laura Lancaster, Commissioner of Corporate Services

Chris Mills, Chief Administrative Officer