



REPORT

TO: Mayor Lawlor and Members of Council

FROM: Moya Leighton, Treasurer

DATE: September 16, 2024

REPORT NO.: CS-2024-031

SUBJECT: Award of Annual Insurance Renewal

RECOMMENDATION:

THAT Report No. CS-2024-031, dated September 16, 2024, regarding the Award of Annual Insurance Renewal be received;

AND FURTHER THAT the Town's Annual Insurance Renewal be awarded to Intact Public Entities (previously known as Frank Cowan Company Limited) through brokerage services provided by Affiliated Insurance Management Inc. for a period of one (1) year;

AND FURTHER THAT the Manager of Purchasing be authorized to issue a purchase order to Affiliated Insurance Management, in the amount of \$1,599,056.00 (plus applicable taxes);

AND FURTHER THAT Council authorizes the Treasurer to execute the necessary contract documents for the renewal.

KEY POINTS:

The following are key points for consideration with respect to this report:

- Staff are recommending the award of Award of Annual Insurance Renewal to Intact Public Entities (previously known as Frank Cowan Company Limited) through brokerage services provided by Affiliated Insurance Management Inc. for a period of one (1) year.
- The Purchasing Policy (PLCY-2023-0003) requires awards for Requests for Proposals over \$250,000 be authorized by Council.

BACKGROUND AND DISCUSSION:

Affiliated Insurance Management Inc. is an independent broker that has been providing risk management and insurance advice to the Town since 2021. They were engaged to conduct a Request for Proposal on behalf of the Town to select an insurer to provide insurance coverage for a period of one (1) year. Four (4) major insurance providers in Canada were invited to participate: Intact Public Entities, Marsh, BFL Canada and AON. Three (3) submissions were received as follows: Intact Public Entities, Marsh and BFL Canada.

The proposals received were evaluated based on a comprehensive matrix that considered product offerings, pricing, services, qualifications and rate sustainability.

Based on an evaluation and review of the documentation provided by Affiliated Insurance Management Inc., staff recommend the award of the insurance contract to Intact Public Entities as they were the highest ranked proponent. Intact Public Entities has been the Town's insurer since 2016.

For the past number of years, the insurance market has been "hard", which means insurers were not doing well in this industry group, resulting in increased pricing and stricter policy terms which in turn required the Town to increase the annual insurance budget. More recently, the price pressures have started to ease, indicating that the market is beginning to "soften". This trend is clearly demonstrated in the results of the Request for Proposal, with 2024/2025 premium prices remaining consistent with the 2023/2024 coverage period. The current annual insurance budget is sufficient to cover the one (1) year term of this renewal, with no requirements for a 2025 budget increase.

The Town will conduct another Request For Proposal for Insurance coverage early in 2025 in anticipation of the one (1) year renewal date, and the softening market conditions.

STRATEGIC PLAN ALIGNMENT:

This report is administrative in nature and does not have an impact on the Town's Strategic Plan.

RELATIONSHIP TO CLIMATE CHANGE:

This report is administrative in nature and does not directly impact or address climate change and the Town's Net Zero target.

PUBLIC ENGAGEMENT:

Public Engagement was not needed as this report is administrative in nature.

INTERNAL CONSULTATION:

Corporate Services staff were consulted on this report.

FINANCIAL IMPLICATIONS:

This report will be funded through an existing approved budget source.

Reviewed and approved by,

Laura Lancaster, Commissioner of Corporate Services

Chris Mills, Chief Administrative Officer