



MEMORANDUM

TO: Mayor Lawlor and Members of Council

FROM: Kathleen Reinhardt, Risk & Insurance Advisor

DATE: June 16, 2025

MEMO NO.: CS-2025-004

SUBJECT: 2024 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 2024.

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 allocated 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: <ul style="list-style-type: none">- Bodily injury related to slip/trip and falls or road maintenance- Property or vehicle damage |
| Property | Town property |

Since 2016, Intact Public Entities (IPE) formerly known as Frank Cowan has been the Town's insurance provider. The chart below captures the total premiums paid for the past five (5) years:

| 5 Year Total Premium Comparison (Including Taxes) | |
|--|-------------|
| 2020 | \$886,144 |
| 2021 | \$1,264,014 |
| 2022 | \$1,766,060 |
| 2023 | \$2,087,265 |
| 2024 | \$2,069,276 |

Staff issued a Request for Proposal (RFP) 2025-011-NP General Insurance and Risk Manager Services on March 20, 2025. The RFP was posted on the Town's Bids and Tenders website. Upon closing on April 23, 2025, the Town received four (4) submissions.

| Vendor Name | Location |
|---|-----------------|
| Aon Reed Stenhouse Inc. | Toronto, ON |
| BFL Canada Risk and Insurance Services Inc. | Toronto, ON |
| Intact Public Entities | Cambridge, ON |
| Marsh Canada Limited | Toronto, ON |

The Proposals were evaluated based on the following criteria:

- Company Profile and Team Qualifications
- Project Experiences and References
- Scope of Insurance Service
- Value Added Services

Based on the evaluation of the proposal, Intact Public Entities is the highest ranked proponent and is therefore the successful vendor. The new policy term will run from July 1, 2025, to July 1, 2026, with coverage taking effect on July 1, 2025.

COMMENTS:

The chart below provides details of the 2024 claim activity and includes claim activity statistics for the years 2022 and 2023, for comparison purposes.

| Insurance Claims as of December 31, 2022, 2023, & 2024 | | | | | | | | | | | | | |
|--|---------------------|---------------|-------------|---|------------------|-----------------|---------------------|-------------------|---|------------------|-----------------|---------------------|-------------------|
| Category | 2022 Claims Results | | | 2023 Total Results (Incidents and Claims) | | | | | 2024 Total Results (Incidents and Claims) | | | | |
| | Claims Recieved | Claims Closed | Claims Open | Incidents Recieved | Incidents Closed | Claims Recieved | Total Claims Closed | Total Claims Open | Incidents Recieved | Incidents Closed | Claims Recieved | Total Claims Closed | Total Claims Open |
| Town-owned Auto | 3 | 1 | 2 | 5 | 5 | 3 | 2 | 1 | 0 | 0 | 2 | 2 | 0 |
| Errors and Omissions | 2 | 0 | 2 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Generally Liability | 61 | 43 | 18 | 45 | 45 | 64 | 55 | 9 | 38 | 38 | 44 | 38 | 6 |
| Property | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 |
| Total Claims | 67 | 45 | 22 | 50 | 50 | 68 | 57 | 11 | 38 | 38 | 47 | 41 | 6 |
| Percentage Growth | 49% | | | | | 1% | | | | -24% | -31% | | |

In 2023, staff started to record the number of incidents as well as the number of claims. 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 consultation with the Town's insurers to obtain clarification where required.

The difference between an incident and a claim is that an incident may involve a situation where a claimant submits a notice that ultimately falls outside the Town's jurisdiction. In such cases, the incident is logged, and the claimant is notified to submit a claim to the correct municipality, whereas 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.

In 2024, the Town received 47 claims and 38 incidents, totaling 85 logged entries. All 38 incidents were logged and closed within the year. Of the 47 claims received, 41 were closed, leaving 6 open claims still at the end of 2024.

The volume of claims decreased by 31% compared to 2023, and incidents were down by 24% over the same period. Despite the reduction in volume, the complexity and time required to review each claim and incident has increased. Claimants are now less likely to accept an initial denial, often prompting multiple reviews and requiring staff to reassess claims several times.

In recent years, slip / trip and falls and motor vehicle accidents have increasingly involved legal proceedings. Claimants frequently engage personal injury lawyers, shifting the focus of the work from administrative processing to the review of legal documents and case law research.

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 44 CGL claims received in 2024 and they are broken down as follows:

- 7 claims were for personal injuries, 4 of these remained open at the end of the year. These types of claims are complex and require litigation to arrive at a conclusion. Although 3 claims were closed, they may be subject to reopening in the future.
- 37 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. However, as previously noted, they frequently require multiple reviews before arriving at a final resolution.

In addition to the log count in the table above, there were a further 16 open or re-opened claims at the end of December 2024 that are being carried over from previous years, some of which date as far back as 2017. These are mainly related to claims that are in litigation which take many years to resolve. The complexity and longevity of these cases have significantly increased the amount of staff time required for researching relevant case law and providing informed direction to the insurer on how to proceed with each claim.

The Town currently carries a Commercial General Liability (CGL) deductible of \$100,000 per claim, along with a \$25,000 deductible for property and automobile claims. Prior to 2022, the deductibles were significantly lower, \$5,000 for automobile claims and \$15,000 for all other lines of coverage. These changes were implemented to help mitigate the impact of rising insurance premiums.

A more detailed overview of the types of coverage is attached as Confidential Appendix A.

CONCLUSION:

This information is to provide Council with an update on the 2024 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, Treasurer

Laura Lancaster, Commissioner of Corporate Services

Chris Mills, Chief Administrative Officer