



REPORT N° FIN2019-043

Date	09/12/2019
Submitted by	Frédéric Desnoyers
Subject	Award of insurance contract
File N°	N/A

1) **NATURE/GOAL :**

The goal of this report is to have the insurance contract awarded and an increase to the 2020 insurance base budget approved.

2) **DIRECTIVE/PREVIOUS POLICY :**

On November 18, 2019, Council approved the 2020 budget including a \$338,390 for insurance.

3) **DEPARTMENT'S RECOMMENDATION :**

THAT Council approve the renewal of the insurance for 2020 with Frank Cowan Company at a premium of \$321,696 plus applicable taxes; and

THAT Council approves an additional \$9,042 to the 2020 budget for insurance to be included in the 2020 budget adjustments.

QUE le Conseil approuve d'accorder le renouvellement d'assurance pour l'année 2020 à Frank Cowan Company Limited moyennant une prime de 321 696 \$, plus taxes; et

QUE le Conseil approuve une augmentation de 9 042 \$ au budget d'assurance 2020 à être inclus dans les révisions de budget 2020.

4) **BACKGROUND :**

In 2019, the City of Clarence-Rockland was insured through Frank Cowan Company Limited, expiring on December 31, 2019.

December 2nd was the deadline to submit request for proposal (RFP) for the insurance contract. The RFP was prepared by Halpenny, which is the City's insurance broker.

5) **DISCUSSION :**

In November 2019, the City issued a request for proposal for the general insurance contract for 2020.

A total of 2 bids were received from Frank Cowan Company Limited and Jardine / Marsh Lloyd Thompson Canada Inc.

BFL declined due to market conditions and claims history

Cowan is the lowest bidder with a total price of \$ 321,696 plus tax, while keeping the same coverage as previous years. This price represents a 11% increase over the 2019 contract.

Many reasons can explain this increase:

- Addition of 5 vehicles
- Property value increase of \$476 756
- Claim history, etc.

Council should also be aware that this insurance contract does not include any cyber insurance. In 2020, the IT department will work on its cyber knowledge to have a competitive quote. This will be presented to Council as an option as part of the 2021 budget review.

Attached is a comparable summary prepared by Halpenny of the insurance coverage renewal.

6) **CONSULTATION:**

Click here to enter text.

7) **RECOMMENDATIONS OR COMMENTS FROM COMMITTEE/ OTHER DEPARTMENTS :**

N/A

8) **FINANCIAL IMPACT (expenses/material/etc.):**

A total budget increase of \$9,042 is needed.

	2019	2020
Subtotal	\$291,688	\$321,696
Tax (8%)	\$23,335	\$25,736
Total cost	\$315,023	\$347,432
2020 Budget		\$338,390
Difference		\$9,042

This adjustment will be presented to Council in the new year as part of the 2020 budget adjustment.

An additional revenue of \$18,672 is also confirmed from the tax assessment growth which will offset this additional insurance cost.

9) **LEGAL IMPLICATIONS :**

N/A

10) **RISK MANAGEMENT :**

N/A

11) **STRATEGIC IMPLICATIONS :**

N/A

12) **SUPPORTING DOCUMENTS:**

Appendix A: Coverage comparison