

SUMMARY

We are pleased to provide a comparison of the two proposals received from Frank Cowan Company Ltd. (Cowan) and Jardine / Marsh Lloyd Thompson Canada (JLT) for your perusal.

Each proposal provides unique risk transfer mechanism through insurance based on respondent program coverage and wordings. We have attached an overview outlining the main differences between the two programs for your reference.

Managing risk is more than simply protecting an asset – it is understanding the true nature of your risks, applying new ideas to manage them and the confidence to make the right decisions. In today's challenging business environment, driven by increasing change and uncertainty, knowledge is a valuable commodity which will empower those to make better decisions. The proposals are based on the Insurer's knowledge and ability to guide and council the Municipality on the appropriate risk transfer mechanisms.

Insurance is the losses of the many spread among the few. There are many factors impacting municipal claims such as:

- Higher award settlements
- Accelerating future care costs
- Class actions
- Claim Inflations – this is running between 6% to 8% annually
- Growing litigious society with higher frequency where municipalities are named in the claim

We believe the largest impact to Municipal claims is the Joint & Several Liability Act. Under the Negligence Act the law states that, where damages have been caused by two or more persons and where two or more persons are found at fault or negligent, they are jointly and severally liable to the person suffering loss or damage. A plaintiff's lawyer has only to provide 1% liability against a deep-pocket defendant to recover from that defendant 100% of the plaintiff's damages. This law has had a dramatic effect on Municipal claims.

Our approach is to look at the 'cost of risk'. Total Cost of Risk is a combination of all expenses associated with the risk – such cost can include insurance premium; uninsured losses; risk control mechanisms; contractual obligations; claims payments and deductibles. These costs are interrelated, and all parties must work together to reduce the cost of risks.

After careful assessment of the programs, wordings and deductibles, we believe that while both Insurers' provide a broad range of coverage based on their wordings and underwriting guidelines, the proposal from Frank Cowan provides a lower cost of risk to the Municipality. Our analysis is based on the proposal from Cowan which provides a significant premium savings of \$134,595. over JLT's premium indication, while at the same time offers the following enhancements.

- Cowan program also offers features that are not included under the JLT program such as No Aggregate on the Municipal Liability or Errors & Omission policy; Employment Practice Liability extension under the Errors & Omissions policy as well as the differences as outlined in the report.

- Cowan's replacement cost on automobiles applies to vehicles up to 25 years whereas JLT provides replacement cost applies to vehicles up to 20 years. JLT's basis of loss settlement on fire vehicles over 20 years and up to 25 years would be guaranteed amount based on purchase price or if you have a professional appraisal.
- Cowan is offering a 2-year price stability agreement as outlined in their proposal.

The following pages provide a brief summary of the main differences between Insurers. We recommend that you review each proposal for a complete overview of the individual products.

Thank you for this opportunity to review the quotations on your behalf. Our office is committed to continue to work with the City in an attempt to reduce potential losses, focus on identifying and mitigating traditional risk issues, and identifying new and emerging risk trends.

We are available to meet and review the proposals in detail. We await the City's decision.

Market Results

December 31st, 2019 – 2020

MARKET	TOTAL (excluding Tax)
Frank Cowan Company Limited	\$321,696.
Jardine / Marsh Lloyd Thompson Canada Inc. / Marsh	\$456,291.
BFL	Declined as due to market conditions and claims history

FOREWORD

This summary has been prepared for the sole purpose of setting forth the general scope of coverage as afforded under the noted policy(ies). The summary is not intended to supplement the actual policy wording nor it is intended to be used to interpret the policy(ies). The information contained in this report is of a general nature and specific reference to the policy(ies), schedules, endorsements, etc. is required for actual determination of coverage.

CORPORATION OF THE CITY OF CLARENCE ROCKLAND
COVERAGE OVERVIEW
December 31st, 2019 - 2020

COVERAGE	COWAN	JARDINE / MARSH
Municipal Liability	<p>Limit of Liability - \$50,000,000.</p> <ul style="list-style-type: none"> • Primary - \$15,000,000. • First Excess - \$10,000,000. • Second Excess - \$25,000,000. <p>No Aggregate Limit</p> <p>Tenants Legal Liability – full policy limits</p>	<p>Limit of Liability - \$50,000,000.</p> <ul style="list-style-type: none"> • Primary - \$5,000,000. Limit • Umbrella - \$20,000,000. Limit • Excess Umbrella - \$25,000,000. Limit <ul style="list-style-type: none"> • Aggregate applicable to Products & Completed operations applicable to Umbrella Liability as removed from Primary Municipal Liability • Products & Completed Operations Aggregate – removed from Primary Municipal Liability – the following are not considered subject to Aggregate <ul style="list-style-type: none"> • Road Maintenance • Snow Removal • Garbage Collection / Waste Disposal • Tree Maintenance • Street Cleaning • Building Inspections – Professional Services included, limited to Products & Completed Operations Aggregate if contracted to Third Party Municipality • Or any Statutory duty that the City has to perform for or on behalf of third parties <p>Tenant's Legal Liability – subject to \$5,000,000. Limit of liability</p>

COVERAGE	COWAN	JARDINE / MARSH
Municipal Liability (cont.)	<p>No Watercraft exclusions</p> <p>Medical Malpractice on Occurrence Form</p> <p>Abuse – up to the policy limit</p> <ul style="list-style-type: none"> Limited to entity Does not extend to additional Insured – council, employees, and volunteers. <i>The report confirms that the Additional Insured who are named in the statement of claim but not involved in the actual act would be entitled to defense provided that the allegations are within the scope of cover.</i> <p>Worldwide Territory</p> <p>Wrongful Dismissal (Legal Expense) – Claims Made - \$250,000. Per Claim / Aggregate ** See extension for EPL (Employment Practice Liability) under Errors & Omissions**</p> <p>Does not include Sudden & Accidental Environment Liability as covered under Environmental Liability</p>	<p>Excludes watercraft over 30 metres in length</p> <p>Medical Malpractice</p> <ul style="list-style-type: none"> “Claims Made” form subject to retro date as of November 15, 1993 Firefighters falls to Municipal Liability – Occurrence form <p>Molestation/Abuse liability extends to ‘Insured’ as per the policy definition – not limited to entity only</p> <ul style="list-style-type: none"> Molestation/Abuse of minors subject to \$5,000,000. limit of liability as Umbrella excludes abuse of minors Includes Abuse/Molestation for alleged perpetrator subject to \$250,000. Per Claim / \$500,000. Annual Aggregate – Coverage is written on “Claims Made” basis subject to retro date as of January 1, 2015 and is subject to confirmation of employee background checks <p>Territory is limited worldwide – suits in Canada / USA</p> <p>Wrongful Dismissal (Legal Expense) – Claims Made - \$500,000. Per Claim / Aggregate</p> <p>Includes Sudden & Accidental Environmental Liability as outlined in the wording – up to full policy limit unless covered under the Environmental Liability section</p>

COVERAGE	COWAN	JARDINE / MARSH
Municipal Liability (cont.)	<p>Excludes Voluntary Compensation for Volunteers; Garage operations; Marina Liability or Wrap-Up Liability</p> <p><u>Deductible:</u></p> <ul style="list-style-type: none"> • Third Party Deductible including Expenses - \$25,000. Per Occurrence • Sewer Back up Deductible including Expenses - \$25,000. Per Claimant • Forest Fire Expense, Volunteer Medical Payments & Voluntary Property Damage – Nil Deductible • Wrongful Dismissal - \$5,000. Deductible <p>2-year price stability agreement – will attempt to hold rate increase to 12%</p>	<p>Includes Wrap-up – Difference in Conditions & Difference in Limits; Garage Liability, Voluntary Compensation – Employees & Volunteers and Marina Liability</p> <p><u>Deductible:</u></p> <ul style="list-style-type: none"> • Third Party Deductible including Expenses - \$25,000. Per Occurrence (Applies to Forest Fire Expenses; Medical Payments & Voluntary Property Damage) • Sewer Back up Deductible including Expenses - \$25,000. Per Claimant • Wrongful Dismissal - \$5,000. Deductible • Voluntary Compensation – Nil Deductible <p>2-year guarantee – Not Available</p>
Errors & Omissions (Claims Made)	<p>Separate primary limit of liability – Included in Excess Liability limits</p> <p>No Aggregate Limit</p> <p>Worldwide Territory</p> <p>Claim Reporting – 30 days extending reporting period</p> <p>2-year price stability agreement – will attempt to hold rate increase to 12%</p>	<p>Included in the Limit of Liability</p> <p>Annual Aggregate</p> <p>Territory is limited worldwide – suits in Canada / USA</p> <p>Claim Reporting - 90 Days extended reporting Period</p> <p>2-year rate guarantee – Not available</p>

COVERAGE	COWAN	JARDINE / MARSH
Errors & Omissions (Claims Made) Cont.:	<p>Definition of Wrongful Act means any actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty arising out of, or in the performance of services usual to the operations of the Insured including administration of any benefit plan. Cowan had confirmed that their coverage includes Employment Practices subject to the policy terms and conditions – the nature of allegation to which they will respond is extremely broad. There are two (2) triggers – a coverage trigger and a compensatory trigger.</p> <p>The coverage trigger would be a Personal Injury allegation. Most employment allegations involve some element of mental anguish, stress, humiliation, etc. that would satisfy the coverage component of the trigger. As long as compensation is also sought, which again is usual in most employment-related demands, their policy would respond.</p> <p>Providing the two triggers exist in the allegation against the municipality, their policy would apply subject to the policy terms, conditions and exclusions. As with all claims, the allegations as well as the circumstances of the allegation will determine coverage. Coverage would be subject to your Deductible of \$25,000.</p>	<p>Does not include Employment Practice Liability – separate policy is required. Completed application required to provide a quotation.</p>

COVERAGE	COWAN	JARDINE / MARSH
Conflict of Interest	\$100,000. Per Claim	\$100,000. Per Claim
Legal Expense	<p>\$250,000. Per Claim / \$500,000. Aggregate</p> <p>Not reimbursement policy – payment from first dollar for defense including investigation stage</p> <p>Includes Criminal Code – includes cover while being investigated for a Criminal Code offense without the need for charges to have been laid</p> <p>Excludes claims awarded in any jurisdiction outside of Canada</p> <p>Access to 24/7 Legal Hotline</p>	<p>Limit - \$100,000. Any one claim / \$500,000. Annual Aggregate</p> <p>Reimburse legal fees including disbursements in defense of a charge laid for an alleged offence under any Act - Act means any Provincial Statute with the exception of the Highway Traffic Act and Municipal Conflict of Interest Act.</p>
Non-Owned Automobile	<p>Limit of Liability</p> <ul style="list-style-type: none"> • Primary - \$15,000,000. • 1st Excess - \$10,000,000. • 2nd Excess - \$25,000,000. 	<p>Limit of Liability</p> <ul style="list-style-type: none"> • Primary - \$5,000,000. Limit • Umbrella - \$20,000,000. Limit • Excess Umbrella - \$25,000,000. Limit

COVERAGE	COWAN	JARDINE / MARSH
Environmental Liability (Claims Made)	<p>Limit - \$5,000,000. Any one claim / \$5,000,000. Aggregate – Gradual and Sudden & Accidental</p> <p>Municipal Liability excludes EIL unless Bodily Injury from a sudden, brief and accidental occurrence or Property Damage to Third party from hostile fire or explosion</p> <p>Defense costs will respond even if allegations are groundless or false</p> <p>No Retro Date</p> <p><u>Exclusions for consideration:</u></p> <p>a) Coverage is included for liability arising out of the escape of contaminants from properties previous owned, leased or operated by the Insured - expenses excluded</p> <p>m) Excludes liability arising out of sewer backup from any sewer, sump or drain – Cowan confirmed this exclusion does not apply to the Wastewater treatment plant. Additionally, sewer back is covered under the Municipal Liability</p> <p>Worldwide Territory</p>	<p>Limit - \$5,000,000. Any one claim / \$5,000,000. Aggregate – Gradual</p> <p>Sudden & Accidental – Included under the Municipal Liability subject to \$50,000,000. Limit / Aggregate</p> <p>Excludes cover on single walled Above Ground Tank</p> <p>Cover on Closed landfill is subject to confirmation of active monitoring and no leachate</p> <p>Retro – Unlimited</p> <p><u>Exclusions for consideration:</u></p> <p>9) Underground storage tanks unless listed on the policy</p> <p>11) Property previously owned, leased or operated by the Insured - excludes liability from Insured's property which commences subsequent to the date the Insured's property is abandoned</p> <p>16) Odor emissions from Waste Facility</p> <p>Territory is limited worldwide – suits in Canada / USA</p>

COVERAGE	COWAN	JARDINE / MARSH
Automobile	<p>Includes Third Party Liability reimbursement - \$5,000. Deductible</p> <p>Extensions:</p> <ul style="list-style-type: none"> • OPCF#20 – Coverage for Transportation – applicable to light commercial - \$1,200. Limit • OPCF#21B – Blanket Fleet – 50/50 Adjustment on expiry • Replacement Cost on vehicles 25 years and newer except leased vehicles are subject to Actual Cash Value <p>2-year rate stability agreement – the average rate per automobile by vehicle class will be held to a maximum of 10% increase for each renewal term as long as risk continues to meet the definition of a fleet</p>	<p>No Third-Party Reimbursement</p> <p>Extensions:</p> <ul style="list-style-type: none"> • OPCF#44 – Family Protection End't - \$2,000,000. Applicable to light commercial, private passenger, skidoos and ATV • OPCF#20 – Coverage for Transportation – applicable to light commercial - \$1,000. Limit • OPCF#21B – Blanket Fleet – No Annual Adjustable • Replacement Cost <ul style="list-style-type: none"> • OPCF#43 – Waiver of Depreciation – 2 years • Automobile Deficiency Endorsement added to property – provides Replacement Cost – applicable to vehicles up to 20 years. • Fire vehicles up to 20 years – Replacement Cost; Over 20 up to 25 years – Guaranteed Amount subject to purchase price or if professional appraisal available • Airport Automobile Exclusion added <p>Subject to drivers list and all drivers having satisfactory drivers abstracts</p> <p>Rate guarantee not available</p>

COVERAGE	COWAN	JARDINE / MARSH
Crime	<ul style="list-style-type: none"> • Employee Dishonesty - \$1,000,000. • Broad Form Money & Securities - \$200,000. (Inside & Outside) • Money Order & Counterfeit Paper Currency – \$200,000. • Depositors Forgery – \$1,000,000. • Computer Fraud or Funds Transfer Fraud - \$200,000. (Includes Voice Computer Toll Fraud) • Audit Expense - \$200,000. <p>Deductible – Nil</p>	<ul style="list-style-type: none"> • Employee Dishonesty - \$1,000,000. • Broad Form Money & Securities - \$200,000. (Inside & Outside) • Money Order & Counterfeit Paper Currency – \$200,000. • Depositors Forgery – \$1,000,000. • Computer Fraud or Funds Transfer Fraud - \$200,000. • Professional Fees / Audit Expense - \$200,000. <p>Deductible – Nil</p>
Equipment Breakdown	<p>Separate Policy - \$50,000,000. Per Accident</p> <p>Extensions as noted in proposal</p>	<p>Included in Property Policy</p>

COVERAGE	COWAN	JARDINE / MARSH
Property:	<p>Separate Policy</p> <p>Blanket Limit - \$129,288,969. Named Perils on Bourget Train Station - \$131,500.</p> <p>Extensions as outlined in proposal – highlight of differences as follows:</p> <ul style="list-style-type: none"> • Debris Removal includes First Party Pollution Clean-up on site; Transit; Unnamed Locations, Fire / Police Department Charges, Recharge of Fire Protection, Consequential Loss; Professional Fees; Expediting Expense – no sublimit • Includes Computer Hardware and Media; however Systems Breakdown and Extra Expense are not covered. Cowan will require a completed Data Processing Application to add based on exposures • Bridges and Culverts – included up to \$50,000. • Includes Vacant / Unoccupied – \$1,000,000. – unlimited time period however they will amend cover on vacant properties to fire & extended coverage • Newly Acquired property – included subject to prompt notice and potential additional premium charged • Master Key – \$25,000. • Cost to attract volunteers following a loss - \$10,000. • Docks, Wharves & Piers - \$100,000. • Rewards – Arson, Burglary, Robbery and Vandalism - \$25,000. • Worldwide coverage 	<p>Combined Policy including Equipment Breakdown</p> <p>POED Limit - \$135,507,700. Named Perils on Bourget Train Station - \$131,500.</p> <p>Extensions as outlined in proposal – highlight of differences as follows:</p> <ul style="list-style-type: none"> • Transit – \$500,000. • Unnamed Locations - \$1,000,000. • Vacant, unoccupied or shut down for more than 90 days (seasonal closed down – 9 months) • Debris Removal – \$100,000. • Spoilage or Consequential Loss - \$100,000. • Contingent Business Interruption - \$1,000,000. • Fire Protection Equip & Fire Fighting Expenses - \$100,000. • Hacking Event & Computer Virus - \$100,000. • Exhibition Floater - \$100,000. • Master Key - \$10,000. • Newly Acquired locations - \$1,000,000. subject to 90 days reporting – No Additional premium • Docks, Wharves - \$42,800. Included in blanket limit • Territory – Canada and USA

COVERAGE	COWAN	JARDINE / MARSH
Property (cont.):	<u>Deductibles:</u> <ul style="list-style-type: none"> • Earthquake – 3% / \$100,000. Minimum • Flood - \$50,000. • Fine Arts - \$5,000. • All other losses - \$10,000. <p>Rate Stability Agreement - Average property rate will be held to a maximum of 5% increase of the 2019 level for each of the renewal terms</p>	<u>Deductibles:</u> <ul style="list-style-type: none"> • Earthquake – 5% / \$100,000. Minimum • Flood - \$50,000. • Impact by Marine Vessel - \$50,000. • EDP & Fine Arts - \$1,000. • All other losses - \$10,000. <p>Rate guarantee not available</p>
Councilor Accident – 24 Hour Coverage	<p>Age Restriction – under the age of 80</p> <p>Including Critical Illness on 7 Persons as noted in policy</p> <p><u>Extensions as listed in proposal – up to the following limits:</u></p> <ul style="list-style-type: none"> • Dependent Children’s Education - \$10,000. Per child • Dependent Children’s Day Care - \$10,000. Per child • Transportation / Accommodations - \$1,500. Maximum • Identification Benefit - \$5,000. • Eyeglasses, Contact Lenses & Hearing Aids - \$3,000. • Workplace Modification - \$5,000. <p>Aggregate Limit - \$2,500,000.</p>	<p>Age restriction applies to Weekly Disability - Total Disability – Unemployed & under age 70 - \$300. subject to 52-week period Weekly Disability</p> <p>Including Critical Illness on 7 Persons</p> <p><u>Extensions as listed in proposal– up to the following limits:</u></p> <ul style="list-style-type: none"> • Rehabilitation Benefits - \$15,000. • Dependent Children’s Education - \$5,000. Per child • Dependent Children’s Day Care - \$5,000. Per child • Family Transportation - \$15,000. • Eyeglasses, Contact Lenses & Hearing Aids - \$2,000 • Out-of-Province Medical – 15-day trip durations <p>Aggregate Limit - \$2,500,000.</p>

COVERAGE	COWAN	JARDINE / MARSH
Volunteer Accident On duty	<u>Extensions – up to the following limits:</u> <ul style="list-style-type: none"> • Accidental Medical - \$15,000. • Weekly Accident Indemnity – up to 52 weeks <ul style="list-style-type: none"> • Total Disability - \$500. • Partial Disability - \$250. • Dependent Child Day Care Benefit – \$10,000. • Dependent Child Education Benefit - \$10,000. • Transportation / Accommodation - \$1,500. • Funeral Expense - \$10,000. • Workplace Modification Benefits –\$5,000. • Eyeglasses, Contact Lenses & Hearing Aids - \$3,000. <p>\$1,000,000. Aggregate Limit any one accident</p>	<u>Extensions – up to the following limits:</u> <ul style="list-style-type: none"> • Accidental Medical - \$5,000. • Weekly Accident Indemnity – up to \$250. / 52 weeks • Workplace Modification and Accommodation Benefits - \$5,000. • In-Hospital Benefit - \$2,500. Per month • Family Transportation - \$15,000. • Day Care Benefit - \$5,000. • Dependent Child Education Benefit - \$5,000. • Funeral Expense - \$5,000. <p>\$1,000,000. Aggregate Limit any one accident</p>
Recreational Affiliates – Outdoor Rink Operators	Commercial General Liability <ul style="list-style-type: none"> • Bodily Injury & Property Damage - \$2,000,000. • Personal & Advertising Liability - \$2,000,000. • Medical Payments - \$10,000. • Tenants Legal Liability – Any One Premises - \$2,000,000. • Products & Completed Operations – Aggregate Limit - \$2,000,000. • Nil Deductible 	Commercial General Liability <ul style="list-style-type: none"> • Bodily Injury & Property Damage - \$2,000,000. • Personal & Advertising Liability - \$2,000,000. • Medical Payments - \$10,000. • Tenants Legal Liability – Any One Premises - \$2,000,000. • Products & Completed Operations – Aggregate Limit - \$2,000,000. • Nil Deductible
Total Premium (excluding Tax)	\$321,696.	\$456,291.