



COUNTY OF WELLINGTON POLICY & PROCEDURE MANUAL

DEPARTMENT	TREASURY	POLICY NUMBER	TR-22-01
SECTION	PURCHASING AND RISK MANAGEMENT	EFFECTIVE DATE	FEBRUARY 1, 2022
SUBJECT	INSURANCE AND CLAIMS MANAGEMENT POLICY		
AUTHORITY	PENDING COUNTY COUNCIL APPROVAL ON		

PURPOSE

The purpose of this policy is to formalize the County's efforts to reduce its risk exposure through the identification and management of the County operations and activities.

OBJECTIVE

Risk Management is the process of making and carrying out decisions that will minimize the adverse effect of accidental losses upon our community and to protect itself against and/or minimize its losses as a result of legal proceedings arising from negligent acts or omissions.

The County is committed to continuously evaluate possible risk exposures in its day-to-day operations and take steps to avoid, manage or transfer these risks.

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Risk Identification and Evaluation

It is a part of everyone's job to assess risks that arise from decisions and reduce the organization's exposure to loss. The foundation of risk management is to have an ongoing process that identifies those activities that could result in adverse consequences or losses as a result of carrying out the services provided by the County

Departments shall make every reasonable effort to identify and recognize risks within their operational area. Services and activities shall be planned, structured and delivered so as to minimize the effects of potential losses suffered by individuals, organizations and Wellington County.

Departments must continually review existing operations and evaluate new processes to ensure that exposure for the County is as minimal as possible. Once the risks are identified, then an evaluation has to be made to determine what the adverse consequences could be, what the probability is that the adverse consequence will actually occur and, if it does occur, how serious are the consequences.

Managing Risk

Established health and safety programs are in place to prevent injuries and to eliminate or control hazards in the workplace for the protection of Council, employees, volunteers, and the general public.

Departmental procedures are structured with a view to minimize risks and reduce the frequency and severity of losses as much as possible with available resources. This could range from changing how the activity is handled to discontinuing a process.

The County must be able to demonstrate that the activities are carried out without negligence, thereby not imposing liability on the County. Well-documented records are a means of providing proof that the County manages its risks to the best of its ability. Risk management programme files, insurance policies and claim records are retained in compliance with the County's Records Retention Policy.

Under no circumstances must a councillor, employee, or volunteer admit liability or indicate that the County is responsible for damages. This is a matter for our insurers or the courts to decide. Admitting liability could void the County's insurance coverage.

Risk Funding

The purchase and administration of appropriate insurance coverage is required to finance portions of the costs resulting from the risks facing the County.

Below are key coverages in the County's Insurance Programme.

General Liability

Property Damage and 3rd party bodily injury claims - \$25,000,000.00 (\$15,000,000.00 Primary + \$10,000,000.00 Excess Limit). The County insurance programme is based on full replacement costs for property and vehicles. Deductibles for property damage and 3rd party bodily injury claims are \$50,000.00. Deductibles for damage to the County's licenced fleet is \$10,000.00.

Errors and Omissions

Errors and omissions insurance provides coverage against liability, which may be imposed by a court of civil law for damages by reason of a wrongful act.

Non-Owned Automobile

Non-owned automobile insurance provides legal protection against claims arising from accidents involving vehicles not owned by the County but being operated on its behalf, or if a stolen vehicle were to be involved in an accident with a County vehicle.

Environmental Liability

Environmental liability insurance protects against liability caused by environmental impairment arising out of operations for claims because of bodily injury, property damage or environmental impairment. This coverage is against 3rd party claims only and does not cover our own actions or losses on our own premises. Coverage for 3rd party environmental liability is \$3 million per claim with a \$5 million aggregate. First party pollution clean up has a limit of \$1.5 Million.

Crime

Crime insurance insures the loss of securities inside and outside of county owned buildings, audit expense, counterfeit documents, forgery or alteration done by deposit and computer and transfer fraud.

Councillor and Department Head Accident Coverage

The County insurance programme covers various benefits to councillors and department heads while conducting County business, including all required travel.

Conflict of Interest

Conflict of interest insurance provides for the reimbursement of legal fees and expenses incurred by elected or appointed members of Council, Boards, Commissions or Committees (as defined in the Municipal Conflict of Interest Act) who are charged under this Act. This policy's coverage is provided where the Court finds: (1) there has been no contravention; (2) contravention has occurred by reason of inadvertence, remoteness, or insignificance; or (3) contravention has occurred by reason of a bona fide error in judgment.

Legal Expense Reimbursement

Legal expense reimbursement insurance provides for the reimbursement of legal fees and expenses incurred by the County's elected or appointed members, employees and volunteers under any Statute of the Province of Ontario (except the Highway Traffic Act and Municipal Conflict of Interest Act), including both guilty and not guilty outcomes.

Property

Assets are insured on current replacement costs except for certain items to which actual cash value settlement has been established. Extra expense coverage allows for continued operations through the rental of equipment, additional payroll costs and emergency supplies.

Equipment Breakdown

Equipment breakdown insures for sudden, accidental breakdown to pressure, mechanical and electronic equipment. This type of coverage is excluded under the Property policy.

Automobile

Automobile insurance insures for physical damage and 3rd party liability. Physical damage covers all licensed vehicles owned and/or leased for loss or damage caused by collision, fire, lightning, theft or malicious mischief. 3rd party liability insures the liability of the County for bodily injury or property damage arising from the use or operation of all owned licensed vehicles.

Miscellaneous Coverage

Fine Arts Exhibits

From time to time various exhibits will be shown in County facilities (Wellington County Museum and Archives) or libraries, etc. The displayed artwork will be covered under the County's fine arts policy for the duration of the exhibit for an assigned value.

Claims Procedures

Staff must report any loss or damage to County property as quickly and completely as possible in order to protect the County's rights against their insurer, as well as against any outside party that may have caused the loss or damage.

When persons contact the County by telephone or in person, and it becomes apparent that those persons wish to make a claim against the County, the person should be immediately advised:

- to contact the Purchasing and Risk Management Services ("Purchasing") as soon as possible;
- that the claim cannot be processed unless it is in writing;
- that there are time limitations associated with making a claim against a municipality and the person should act promptly in order to protect the claim, including consulting their lawyer, if deemed appropriate.

Any department that receives a claim, must forward it immediately to Purchasing.

Claims Reporting Procedures for Staff

When a Constituent Suffers Damages

1. You (staff member) may be their first point of contact
2. They may be seeking reimbursement from the municipality
3. Incidents that result in damage are unfortunate but do not mean the municipality was responsible or legally liable
4. Your initial contact can impact final resolution

What Should You Do:

1. Listen and document the conversation
2. Offer empathy not monetary restitution
3. Do not admit fault

4. If appropriate, instruct constituent to report the incident to their insurer
5. Let them know you will report the incident to the appropriate municipal staff member

Why?:

Feeling responsible does not equal Legal Liability.

County Insurance Policy:

The following information is important to be aware of:

1. The County's Insurance policy outlines the terms & conditions to follow at time of claim.
2. The Municipal Liability Policy – Part A Liability : Agrees to pay on behalf of the municipality all sums for compensatory damages that the municipality is obligated to pay by reason of liability imposed by law
3. You cannot admit liability
4. You cannot take actions that will prejudice our position
5. Prejudicing the insurer's position can impact coverage afforded under your policy
6. You must cooperate with the insurer during the claims process

Claims Process:

1. Report the incident to Purchasing and your immediate supervisor/manager.
2. Purchasing Staff will report to the insurer
3. Insurer will hire an independent adjuster to investigate:
 - a. obtain statement from all parties involved
 - b. take photos of the damages
 - c. Request municipal records that pertain to the loss to assist in the defence of the claim
 - d. keep staff informed

Media Contact:

1. If contacted by the media:
 - a. Inform them the incident has been reported to the appropriate party within the municipality
 - b. An investigation is taking place
2. Refrain from commenting on the incident to avoid:
 - a. Prejudicing the insurer's position
 - b. Breaching any privacy laws

Purchasing will manage and investigate all claims against the County. When appropriate an insurance adjuster will conduct an investigation on behalf of the County and the insurer. Settlement decisions must be made taking into account all applicable factors, including the circumstances of the claim, the applicable law, the cost of pursuing the matter through litigation as compared to the amount of the claim, and the precedent setting nature of the claim.

Once the claim proceeds to litigation against the County, the responsibility for management of the claim is handled in cooperation with the lawyer appointed by the insurer.

All liability claims must be reported to the insurer regardless of the value being claimed. Claims under the property and automobile policies will be reported to the insurer when approaching the deductible limit.

The cooperation of all staff with regard to any investigation conducted by the County, its insurance adjuster and its insurer, is mandatory and must take precedence over other day-to-day activities.

Careful documentation and prompt reporting of claims by County staff will help to:

- protect the County's interests;
- reduce time lost for personnel and equipment;
- realize savings through prompt settlement where responsibility for the claim is clear;
- maintain a favourable public image
- put steps into place to prevent recurrence.

Automobile Accident Reporting

If a County vehicle and/or equipment receives damage or is involved in a motor vehicle accident, either single vehicle or 3rd party involvement, staff must follow the steps below:

1. If involved in the motor vehicle accident, notify the Police. All accidents involving a County vehicle must be reported to the Police. In an **Emergency situation call 9-1-1**. For **non-emergency accidents call 1-888-310-1122**. Explain the situation and the Police will determine whether they will attend at the accident scene or have you come to the Police station to make the report.
2. Staff must never indicate the damage will be reimbursed by the County. Under the Ontario Motorist Protection Plan, which is referred to as "No Fault" insurance, when physical damage occurs involving two vehicles, it does not matter who caused the accident, and both vehicles report it to their own insurers.
3. All incidents must be promptly reported to the staff supervisor and Purchasing as soon as possible.

4. Purchasing will decide if an insurance adjuster or appraiser is required to protect the County's interests, and will arrange for this.
5. A Vehicle Accident / Incident Report must be completed. This form is available on The Well [PURCHAutomobileAccidentReport.pdf \(wellington.ca\)](#). The Automobile Accident Report must be completed by the employee whenever a vehicle incident involving County staff and/or a third party has occurred. This report is to be forwarded to the employee's supervisor for signature. It is the responsibility of the employee and supervisor to ensure this Report is completed as soon as possible. As much information as possible should be completed on the Automobile Accident Report. The completed original Automobile Accident Report will be forwarded to Purchasing.
6. Refer to Attachment A – Collision Checklist for helpful information to assist with gathering all the required information in the case of an accident.

Property and Contents Claims Reporting

Damage to any buildings and/or contents, by fire, theft, vandalism, etc.

1. All incidents involving the County property and/or contents must be promptly reported to the appropriate department Supervisor.
2. In the case of theft, the Supervisor should notify the Police as soon as possible.
3. The Supervisor must notify Purchasing as soon as possible after the incident has been discovered describing the loss and/or damage and any other pertinent information. The Supervisor must also notify Human Resources where the incident involved the possibility of employee injury.
4. Purchasing will decide if an insurance adjuster is required to be involved to protect the County's interests, and will arrange for this.
5. County facilities and contents are generally insured on a Replacement Cost basis subject to a \$50,000.00 deductible.
6. Purchasing will work with staff to obtain estimates as per the Purchasing Policy for repairs and replacement when applicable.

Liability Claims Reporting

This type of claim can be received as a letter from an individual or their lawyer or as a Statement of Claim naming the County of Wellington as a defendant.

As a result of the County's operations, individuals may seek to recover damages for what they may view as the County's fault or negligence. The most common types of claims relate to motor vehicle accidents and trip and fall incidents.

Any department that receives a claim, must immediately forward the claim to Purchasing who will determine jurisdiction and contact an insurance adjuster immediately to start the investigation process as all liability claims must be reported to the insurer, therefore an insurance adjuster will automatically be assigned. Purchasing will manage the claim in conjunction with the department and insurance adjuster.

Through the investigation, if a procedure is identified that should be changed to protect the County's future operations, the appropriate department will be contacted and the process reviewed, evaluated and changed if deemed appropriate.

1. A claim should not be discussed with anyone who is not a County representative. If staff have any questions as to whether a person is entitled to information, please contact Purchasing. This is particularly important where legal action has been commenced against the County.
2. The Manager of Purchasing along with the involved department and the County's insurance adjuster(s) is authorized to negotiate settlements or reimbursement with third parties, unless claim has proceeded to court. The insurer approves all court settlements. If and when a final agreement is reached Purchasing will have the claimant sign a Final Release before issuing any financial settlement. This signed document releases and forever discharges the County from any further action or claim

Employees Using Personal Vehicles While on County Business

Where an employee is on County business and is using a vehicle owned by that employee and becomes involved in a motor vehicle accident, the employee should notify their Supervisor immediately. The Supervisor must notify Purchasing and Human Resources. In the case of an accident where the employee is using their own vehicle for authorized work purposes, the employee is the "primary" insured and as such the liability in any situation rest with the employee first.

Section 251 of the Insurance Act states that every motor vehicle liability policy insures to the limit of at least \$200,000.

Section 277 of the Insurance Act states that insurance under a contract evidenced by a valid owner's policy is a first loss insurance, sometimes known as primary insurance.

Where an employee is on County business and is using a vehicle not owned by the County or leased under the name of the County and is involved in an accident, it is the primary insurance that must respond to any claims for loss, damage or third party liability pursuant to the insurance agreement covering the involved vehicle and the

applicable legislation. The County cannot assume liability under such circumstances unless otherwise directed by a court of law.

Staff that regularly uses their vehicle on County business should notify their insurance broker to avoid possible denial of liability coverage by the individual's insurer by reason of non-disclosure of a pertinent risk. The allowance paid by the County to reimburse individuals using their own personal vehicle, as outlined in the Staff Mileage Reimbursement Policy, does include a factor to help compensate for the cost of potential additional insurance premiums.

Employees Personal Property

From time to time, it is reported that employees have a loss of personal possessions. The blanket insurance policies purchased by the County do not cover employee's property (except for mechanic tools). Employees who bring personal articles to the workplace do so at their own risk.

If insurance coverage is required for employees' personal property, it is expected that they will purchase that coverage independently. Homeowners' insurance policies extend to cover personal property taken off the 'home' premises. In the case of a loss, the employee should report to their own insurance broker.

INSURANCE CERTIFICATES

Automobile Insurance Certificates

Only licensed vehicles are required to have proof of insurance in the vehicle at all times. Purchasing will forward the insurance pink slips upon each insurance renewal period (expiry December 31st)

Requests for Certificate of Insurances

Requests made to the County to provide a certificates of insurance (COI) are generally in accordance with the terms and provisions of contracts between the County and another party. Staff are to contact purchasing@wellington.ca to request COI's as required. Please ensure that the request for the COI includes any relevant agreements/contracts.

Certificates of Insurance – Supplies and Services

At times it is necessary to hire contractors to perform services, thus transferring the risk to the contractor. To protect the County's interests, contractors must provide a Certificate of Insurance (COI) to show that they have sufficient insurance in place should any action arise from their work.

Staff are responsible for obtaining a Certificate of Insurance from contractors prior to the start of a contract of the supply of goods and services. To determine the type of and amount of insurance for the COI, staff may reference the Insurance Guidelines for Contracts and Agreements on The Well [County Insurance - the well. \(wellington.ca\)](http://www.wellington.ca) or contact Purchasing staff at purchasing@wellington.ca for direction. The COI must remain "valid" for the duration of the contract.

Staff must forward the Certificate of Insurance (COI) to purchasing@wellington.ca with an explanation of the works to be performed and the duration.

Attachments

Attachment A – Collision Checklist



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and_Worksheets-bo