



# COUNTY OF WELLINGTON

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## COMMITTEE REPORT

**To:** Chair and Members of the Administration, Finance and Human Resources Committee  
**From:** Jackie Osti, Manager of Purchasing and Risk Management Services  
**Date:** Tuesday, November 21, 2023  
**Subject:** **2024 County Insurance Programme Renewal**

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### Background:

The County's insurance programme is managed by Intact Public Entities (IPE) and HSC-Marsh (HSC). IPE has managed the County's insurance programme since 2007 and as of the last renewal period made a corporate decision not to underwrite non-profit housing. Unfortunately, Ontario has seen a dramatic decrease in the number of insurers willing to underwrite multi-residential properties due to their high-risk profile. HSC offers guaranteed coverage to Ontario housing providers under the provisions of the Housing Services Act.

### Insurance Coverage Overview

#### Comprehensive General Liability (CGL)

Both IPE and HSC have the appropriate limits of CGL with a \$50,000 deductible per claim with no annual general aggregate. IPE's maximum CGL coverage is \$25M - \$15M Primary and \$10M Excess. HSC's maximum CGL coverage is \$30M - \$22.5 from the Claims Trust Fund underwriting the balance up to the maximum limit.

#### Property Insurance

IPE has property coverage (all risk) for buildings and contents at full replacement cost using a blanket limit. HSC has property coverage (all risk) for buildings and contents with a +15% capped limit.

#### Automobile

The County's licensed fleet is insured at full replacement cost with a \$10,000 deductible per claim.

### Insured values

Description	Insured Value
Property (County)	\$277,149,000 – includes contents and unlicensed equipment
Property (Housing)	\$310,117,737 – includes contents
Rental Income (Housing)	\$ 15,330,341 – based on declared market rent values
Licensed Fleet	\$ 20,020,000

## Claims Overview

### IPE

IPE was the County's primary insurer up to December 31, 2022. The County's housing insurance programme was assumed by HSC thereafter. Since 2007, the County has accumulated an estimated \$3,369,905 in insurable losses, our portion of the deductible is \$971,754. Open claims with IPE to date consist of eleven motor vehicle accidents, two slip and fall incidents occurring at social housing units and three residential tenant fires.

### HSC

Since binding insurance with HSC-March on January 1, 2023, three major fires have been reported at our residential housing buildings with damages estimated at approximately \$494,000 our portion of the deductible is \$150,000.

## Premium Increases

### IPE

The bottom-line increase is 8.4% which was impacted primarily by an increase of 16.5% for property which is a combination of a 9% inflation factor and the purchase of the Wellington District School Board properties plus a 13% increase on Owned Auto for six additional vehicles and having the fleet insured at full replacement value. IPE indicated that the insurance industry is entering a soft market which is positive news for future renewals.

### HSC

The bottom-line increase is 21.5% which directly relates to a significant increase in costly fire claims and the high cost to make repairs. The \$22.5M Claims Trust Fund was fully depleted by July. HSC uses the claims trust fund to self-insure against losses to avoid expensive underwriting costs. Even though HSC aggressively pursues subrogation there have been fewer opportunities to recover funds as most tenants do not have insurance.

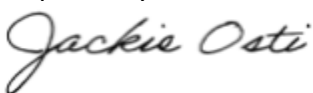
## Recommendation:

That the 2024 insurance programme renewal submitted by Intact Public Entities be accepted at the quoted premium of \$1,295,343.00; and

That the 2024 insurance programme renewal for housing submitted by HSC-Marsh be accepted at the total quoted premium of \$362,016.70; and

That staff be authorized to bind insurance as required.

Respectfully submitted,



Jackie Osti  
Manager  
Purchasing and Risk Management Services