

COMMITTEE OF THE WHOLE MAY 3, 2004

CITY OF VAUGHAN – INSURANCE COVERAGE

Recommendation

The City Clerk recommends:

That staff be directed to proceed with a Request For Proposal (RFP) for the City's insurance coverage; and

That staff be authorized to retain Risk Pro – Risk Management Consultant to assist in reviewing the submission to be funded by the insurance reserve.

Purpose

To issue an RFP for the City's insurance coverage for the 2004-2005 period and to have a consultant to review the submission and provide an opinion as to which submission best meets the City's insurance needs.

Background - Analysis and Options

The City's insurance coverage for the 2003-2004 (ending June 30, 2004) is presently placed with Frank Cowan Company Limited. Recent discussions with representatives of Frank Cowan indicated that the underwriters are estimating a 20% increase in rates over the 2003-2004 period. This is in addition to an increase of 40% over the previous years premium.

To ensure that the City continues to receive the best possible coverage at a fair and equitable rate, staff is proposing that an RFP be issued at this time.

In order to properly assess submissions made through the RFP process, staff is recommending that a thorough analysis be conducted. Staff does not have the necessary expertise to properly conduct such an assessment. Accordingly, staff is proposing that Risk Pro – Risk Management Consultant be appointed to conduct the analysis. This company is familiar with Vaughan's insurance program and conducted a similar analysis for the 2002-2003 insurance proposal.

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council ensuring long term financial stability with respect to insurance services.

Conclusion

It is appropriate at this time to issue an RFP for the City's insurance requests to ensure the City is obtaining the best possible coverage at the fairest rates.

Attachments

None.

Report prepared by:

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Respectfully submitted,

J. D. Leach
City Clerk