

CITY OF VAUGHAN INSURANCE POLICY 2007- 2008

Recommendation

The City Clerk in consultation with the Commissioner of Legal and Administrative Services and City Solicitor and the Manager of Special Projects, Licensing and Permits Insurance-Risk Management recommends:

That staff be authorized to renew the insurance policies for one year with Frank Cowan Company Limited for the renewal premium of \$1,274,867.00 plus applicable taxes.

Economic Impact

Sufficient funds have been budgeted to cover the premium for the 2007-2008 insurance policies. If the above recommendation is adopted by Council the renewal premium represents a cost saving of \$285,133.00 over the budgeted premium set out in the 2007 operating budget.

Communications Plan

N/A

Purpose

The purpose of this report is to seek Council approval to renew the City's policies of insurance for a renewal premium of \$1,274,864.00 plus applicable taxes for the period of July 1, 2007 to June 30, 2008.

Background - Analysis and Options

On May 18, 2006 the City's Purchasing Department issued a Request for Proposal for a General Insurance and Risk Management Program. A total of seven (7) companies picked up the proposal. The only company that submitted a proposal was Frank Cowan Company Limited (Cowan) the City's present insurer.

The policy with Cowan provides for a one year term expiring on June 30, 2007 with an option to renew for each subsequent year, based on satisfactory performance and service. The City Clerk's Department is satisfied with the services being provided by Cowan.

In early March 2007 the Manager of Insurance-Risk Management requested the Regional Manager for Cowan to provide a renewal quote for the 2007-2008 policy period. A renewal quote was received on March 22, 2007 setting out a renewal premium of \$1,274,867.00 plus applicable taxes. The premium is based on City assets and coverage's as of March 22, 2007.

The full term adjusted premium for the 2006-2007 policy was \$1,318,139.00 plus applicable taxes. The renewal premium represents a reduction of \$43,272.00 over the previous year's premium, a percentage **decrease** of 3.3%.

The reduced renewal premium reflects a favorable claims record over the past year due in part to risk management practices that have been put into effect to reduce the City's liability. Staff will continue working with various City departments with a view to identifying areas where risk can be reduced. A pro active approach to risk management will over time have a positive effect on claims received by the City which in turn will have a favorable affect on future premiums.

It is staff's intention to issue a Request for Proposals early in 2008 in order to allow ample time to ensure a robust response in terms of competitive bids from interested parties.

Should Council authorize the City Clerk to renew the policy on the above noted terms the budgeted amount for insurance premium for the 2007 operating budget can be reduced from \$1,560,000.00 to \$1,274,867.00, a cost saving of \$285,133.00.

Relationship to Vaughan Vision 2007

This report is consistent with the Vaughan Vision 2007 with respect to providing effective and efficient delivery of services.

Regional Implications

N/A

Conclusion

It is recommended that staff be authorized to renew the City's insurance coverage for a further period of one year at the renewal quote of \$1,274,867.00 plus applicable taxes.

Attachments

N/A

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Respectfully submitted,

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City Clerk

Janice Atwood-Petkovski,
Commissioner of Legal and Administrative Services