

**Report to:** Finance Committee, Board of Health  
**Submitted by:** Dr. Nicola Mercer, Medical Officer of Health  
**Subject:** 2016 INSURANCE RENEWAL

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**RECOMMENDATIONS:**

- (a) That the Finance Committee makes recommendation to the Board of Health to receive this report for information.

**BACKGROUND:**

Boards of health face significant and numerous types of risk in the execution of their duties. One of the risk mitigation strategies undertaken to protect Wellington-Dufferin-Guelph Public Health (WDGPH) and the members of the Board of Health, is to maintain several types of insurance coverage.

The renewal date for the main insurance policy (with Frank Cowan Company Limited) was January 1, 2016. WDGPH has an additional policy through Totten Insurance Group Inc. for Cyber Risk coverage which renews annually in October.

**Cost:**

The total cost of the Frank Cowan Company insurance renewal for 2016 excluding taxes was \$101,181, (2015 was \$96,445), an increase of \$4,736 (4.9%) from the previous year. Cyber Risk coverage is not included in the above-noted premium as it is provided by a separate insurance carrier. This coverage is provided by Totten Insurance Group Inc., and was renewed in October 2015 at an annual cost of \$6,550, (2014 was \$2,390), an increase of \$4,160 (174%). This premium increase is as a result of the underwriters changing the basis for calculating the premiums: in 2014/2015, they factored in only expenditure recoveries, whereas in 2015/2016 the premium was based on all revenue, including provincial and municipal government funding (which they said was an oversight in the first year of coverage).

**Changes to the policy for 2016 include:**

***Accidental Death of a Spouse While Travelling on Business:***

- Coverage provides for accidental death of a spouse when the spouse is travelling with an Insured Person on business. Coverage applies while travelling to or from such an event and/or if the loss of life occurs within one year of the accident. This coverage has been added at no additional premium.

## PUBLIC HEALTH AND/OR FINANCIAL IMPLICATIONS:

WDGPH's insurance is broken down into six major areas of coverage:

### Covered by Frank Cowan Company Limited:

Insurance Type	2016 Premium	2015 Premium	Difference
Casualty	\$70,738	\$66,446	\$4,292
Property	\$25,097	\$24,720	\$377
Excess (Liability)	\$5,346	\$5,279	\$67
<b>Total</b>	<b>\$101,181</b>	<b>\$96,445</b>	<b>\$4,736</b>

### Covered by Totten Insurance Group Inc.:

Cyber Liability	\$6,550	\$2,390	\$4,160
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The Cyber Liability policy renews in October 2016.

*Casualty coverage includes:*

- General Liability:
  - Liability imposed by law for damages because of bodily injury or death to any person resulting from the operations of WDGPH and for damages to or destruction of property of others caused by an accident;
  - Liability imposed by law for damages because of such Personal injury sustained by any person caused by false arrest, detention or imprisonment, malicious prosecution, libel, slander, defamation of character, humiliation, invasion of privacy, wrongful ejection, wrongful entry and discrimination;
  - Third Party Claims Deductible including all expenses applies on all claims arising out of any one accident or occurrence;
  - Bodily Injury, Property Damage, Personal Injury and Employers' Liability.
  - Included as Insured's are Trustees, Directors, Executive Officers, Board Members, Commission or Committee Members, Employees and Volunteers while performing their duties as such;
  - Blanket Tenants' Legal Liability included;
  - Professional Liability (Malpractice) Coverage included;
  - Advertisers Liability included;
  - Employers Liability included;
  - Medical Payments included;
  - Sewer Back-up included; and
  - Forest Fire Expense.
- Errors and Omissions Liability;
- Directors' and Officers' Liability;
- Non-Owned Automobile Insurance;
- Environmental Liability Insurance;
- Crime Insurance;
- Board Members' Accident Insurance;
- Volunteers' Accidental Death and Dismemberment; and
- Legal Expense.

*Excess Liability Insurance is a policy issued to provide limits in excess of an underlying liability policy, and provides additional limits of insurance on top of the general liability policy.*

*Property Insurance includes:*

- Property of Every Description – no co-insurance;
- Blanket amount on insured property (Insured will not be jeopardized should the value of an asset be undervalued in the schedule and suffer a total loss. Rather, the Insured will enjoy the protection of the blanket limit of all assets combined);
- Insured is not required to provide a signed statement of values and policy does not contain a stated amount clause;
- Debris Removal includes First Party Pollution Clean-up on site;
- Replacement cost on assets unless specifically limited or excluded;
- Replacement on same site not required but settlement cost shall be based on replacing property on same site;
- Automatic Coverage for newly acquired property;
- Professional and auditors fees;
- Expediting expense;
- Transit included;
- Worldwide coverage;
- Permission is granted to make additions, alterations and repairs, for property to remain vacant, for unrestricted use of the property and to keep and use such materials as are usual to the Insured’s business;
- Single Deductible when the Insured suffers a Property and Automobile loss;
- Sewer back-up coverage is included; and
- Equipment Breakdown.

**OPTIONAL COVERAGE:**

During the annual review of the insurance program between WDGPH, Frank Cowan Company Limited, and The Ostic Group Limited, the provider indicated that new coverage options were available to WDGPH for the following areas:

<b>Type of Coverage</b>	<b>Option</b>
Liability	Increase limits for liability coverage.
Liability	Coverage is available for sexual abuse therapy and counselling expenses for members qualifying under the Regulated Health Professional Act 1991 (Ontario) or an equivalent Act or Regulation of another Province or Territory.
Crime	<ul style="list-style-type: none"> <li>• Telephone Long Distance (toll) fraud coverage;</li> <li>• Extortion Coverage (threats to persons and property);</li> <li>• Pension or Employment Benefit Plan coverage;</li> <li>• Residential Trust Fund Coverage (not applicable to WDGPH);</li> <li>• Credit Card Coverage;</li> <li>• Client Coverage (Third Party Bond).</li> </ul>

Board Members' Accident	<ul style="list-style-type: none"><li>• 24 hour coverage extension is available (subject to Board Member's occupations).</li><li>• Critical illness coverage is available.</li></ul>
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**CONCLUSION**

Staff have reviewed the 2016 Insurance Program with WDGPH's insurance agent and insurance broker and are of the opinion that the coverage provided in the program is sufficient and adequate to meet the needs for the protection of WDGPH's property, Board, and employees. It is the opinion of staff that the optional coverages offered by the carrier are not required at this point in time.

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