







Insurance Program Review

April 7, 2021

Built with integrity, leading through innovation.



Agenda

-  Key Insurance Coverages
-  Claims Trends
-  Market Conditions/Pricing
-  Questions/Discussion

Key Insurance Coverages

Policy	Limit of Insurance
General Liability	\$15,000,000 Per Claim (Occurrence Form)
Excess Liability	\$5,000,000 (Total \$20,000,000)
Errors and Omissions Liability	\$15,000,000 Per Claim/Aggregate (Claims Made Form) Retro Active Date Jan 1, 1982
Directors' and Officers' Liability	\$3,000,000 Per Claim/Aggregate (Claims Made Form)
Cyber Liability	\$1,000,000
Board Members' Accident	\$250,000 AD&D
Legal Expense	\$100,000 per claim / \$250,000 Aggregate
Property	\$34,698,950 Property of Every Description – Blanket
Equipment Breakdown	\$25,000,000 Per Accident

Claims Trends

Rise in global catastrophic losses

- Forest Fires (Fort McMurray, California, BC, Oregon)
- Floods
- Windstorms
(2020 set record for named storms, 5th costliest year)
- Earthquakes

Society becoming more litigious

- Slip and Falls (occupiers liability)
- Class Actions
- Malpractice
- Abuse
- Higher Damage Awards
- Rehabilitation/Future Care Costs
- Auto accidents
- Long tail claims

Covid-19 (Pandemics) Estimated \$35-40 Billion in losses

- Business Interruption/D&O/General

Liability/Class Actions

(as of Article Published Feb 10th)

Health Care Sector Claims

- Low Frequency but high severity
- Errors & Omissions (Malpractice, Employee benefits plans)
- Directors and Officers' (Wrongful dismissal)
- Bodily Injury
(programs and clinics, public health inspections)

Examples

Current claim involving HU run program and injury to an infant reserved at \$1.8million

Class Action involving the loss of a memory stick containing personal information \$830K

Alleged failure to properly inspect tattoo parlors

Market Conditions/Pricing

In 2019 the global insurance market began to transition into a 'hardening' phase (correction) as a result of significant losses in the preceding years.

- Two types of insurance markets Hard and Soft

Soft Market

- Lots of capacity ("capacity" is the largest amount of insurance that a company or the market is able to write), insurers focus on top line growth, prices are competitive, downward pressure on premiums

Hard Market

- Lack of capacity, insurers focus on bottom line, more selective of the risks they underwrite and possibly cease underwriting poor performing classes of risk, upward pressure on pricing

What can be done?

Risk management, review coverages, increase deductibles..

Questions/Discussion

