

# Corporation of the Town of Hawkesbury

## Recommendation to Council

N° : 2019\_REC\_44

File N° L06-01

Date of meeting: May 27, 2019

Subject: Insurance renewal

### Recommendation

Whereas at the beginning of May a call for proposals was launched when BFL notified the Town of a substantial increase of its insurance premiums, and;

Whereas the four firms that bid in 2018 were invited, and;

Whereas we only received two tenders;

Be it resolved that municipal council accept that we renew the insurance agreement with BFL Canada from June 1<sup>st</sup>, 2019 to June 1<sup>st</sup>, 2020 for an amount of \$282,246.00 plus taxes, as recommended in document 2019\_REC\_44.

### Explanation, history, context

In Fall 2017, proposals were obtained for the hiring of an insurance consultant, following the retirement of Mr. John Harris with whom the Town had been working since 2008.

With the assistance of Mr. Stephen J. White, consultant, tender documents were updated and we launched a call for proposals in March 2018. The insurance market for municipalities being very limited, four firms were invited. Following the analysis of the proposals received, it was recommended and decided to renew with the company BFL with whom the Town is insured since 2010, since the cost difference between the proposals of BFL and JLT Canada did not justify the change. Furthermore, BFL was committed in renewing from June 1<sup>st</sup>, 2019 to June 1<sup>st</sup>, 2020 at the same premiums unless the Town made major claims.

At the end of March, BFL advised us of a substantial increase caused by, among other things, the increase in claims in Canada but also in the past years by the Town.

Therefore, we decided to request proposals from the same four insurance companies on May, 2.

The Company Frank Cowan and Aon did not send proposals knowing that they would not be able to compete with the one in 2018.

We received a proposal from BFL and Jardine Lloyd Thompson Canada Inc. (JLT). Although the proposal from BFL for \$282,246.00 exceeds a little over \$70,000.00 the premium for 2018-2019, it is \$69,000.00 less than JLT for 2019-2020.

An important fact to emphasize is that the Town proceeded regularly with call for proposals since 2009, which allowed saving of about \$100,000.00 per year, representing over \$800,000.00 since 2010. In fact, the premium paid in 2009 was \$296,554.00, \$14,000.00 more than for 2019-2020.

### **Impact on budget**

Since the insurance coverage period for the Town is June 1<sup>st</sup>, 2019 to June 1<sup>st</sup>, 2020, the impact on the budget is 7 months. Furthermore, the premium increase represents an amount of \$29,000.00 distributed on all services including the library. The Treasurer will report to Council on how we will fund this increase.

### **Relevant studies**

#### **Supporting document**

Letter and Stephen J. White, consultant's analysis (confidential)

### **Department(s) involved**

### **Submitted and recommended by**

Christine Groulx, May 24, 2019

### **Comments of the Chief Administrative Officer**

Daniel Gatién, CAO