

City of North Bay Report to Council

Report No: CORP-2025-047

Date: April 9, 2025

Originator: Peter E.G Leckie

Business Unit:
Corporate Services

Department:
Legal Department

Subject: 2025 Insurance Renewal

Closed Session: yes ☐ no ☒

Recommendation

That Council approve the annual renewal of insurance with Intact Public Entities Inc., in partnership with Kennedy Insurance Brokers Inc., in the amount of \$1,799,402.00 (plus HST) for municipal comprehensive insurance, for the term May 1, 2025 to May 1, 2026.

Background

Pursuant to CORP 2023-002, The Corporation of the City of North Bay entered into a contract with Intact Public Entities Inc., in partnership with Kennedy Insurance Brokers Inc., for municipal comprehensive insurance for a term of five (5) years, with an option in favour of the City to extend the agreement for three (3) additional years of up to one (1) year each. The term of May 1, 2025 to May 1, 2026 is the third year of the five (5) year term.

As previously reported, the City's comprehensive insurance program has been designed to identify and transfer the risk of financial loss to stable insurers. Losses can result primarily from the loss of, or damage to, municipal assets. The City's program is structured to include the following risk protection:

(a) Casualty

This includes general liability; errors and omissions liability; non-owned automobile liability; environmental liability; crime; board member accident; volunteer accident; conflict of interest; and legal expense.

(b) Property

This includes property and equipment breakdown.

(c) Automobile

This includes owned automobile; owned automobile (transit); and garage automobile; aviation (drones) and airmeet (Armed Forces Day).

(d) Excess.

Financial/Legal Implications

The Total Annual Premium for the Renewal Program Term is \$1,799,402.00 (excluding taxes payable) as compared to \$1,673,063 for the Expiring Program Term. The Overall Premium increase is 7.55%. Additional Total Insured Value limit generates 2.55% of overall change.

Intact Public Entities has confirmed the following:

1. The Municipal Casualty policy premium has received a five percent (5.0%) increase, which is the minimum increase required from program insurers and reinsurance for the 2025 term.
2. Property coverage premiums have increased by 13.7%, however no rate increase was applied.
 - "Building" insured limits received a 14.4% increase in Total Insured Limits or \$72,025.000.
 - 24 locations were attended by IPE in February, 2025 to generate a risk report and updated replacement values for each asset.
 - Total insured value increased \$41,223,300 with City Hall (\$25,562,400) and The Capitol Centre (\$14,528,000) receiving adjustments.
 - No adjustment was applied to the Waste Water Treatment Plant.
 - 5% inflationary protection increase resulting in \$31,025,000 additional coverage was applied to all remaining "Buildings" insured.
 - Blanket coverage continues for the 2025 term and no Marginal clause has been applied to the Property schedule.
 - Total Insured Value was increased to \$594,494,100 from \$528,254,000 and includes the insured value of scheduled items (\$28,648,600).

- Property Damage coverage annual premium of \$561,903 is approximately 0.000945% of the Total Insured Value of \$594,494,100.
- 3. Automobile Fleet & Transit premiums received a 4.4% rate increase which is below the average of Intact Public Entities program for the 2024 term and is the minimum premium increase required by the Insuring partners.
- 4. Property & Automobile Schedules have been amended to reflect changes requested by The Corporation of the City of North Bay via addendums received.
- 5. OAP4 Garage Liability continues to be included within Excess Liability limits with premium being waived.
- 6. Equipment Breakdown policy extensions were increased with no additional premium.
- 7. Aviation Liability premium increase was generated by the addition of Drone (UAV) units and listed pilots.

Corporate Strategic Plan

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|---|--|
| <input type="checkbox"/> Natural North and Near | <input type="checkbox"/> Economic Prosperity |
| <input type="checkbox"/> Affordable Balanced Growth | <input type="checkbox"/> Spirited Safe Community |
| <input checked="" type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

Ensure the efficient and effective operations of the City, with particular consideration to the impact of decisions on the property tax rate.

Options Analysis

Option 1:

That Council approve the annual renewal of insurance with Intact Public Entities Inc., in partnership with Kennedy Insurance Brokers Inc., in the amount of \$1,799,402.00 (plus HST) for municipal comprehensive insurance, for the term May 1, 2025 to May 1, 2026.

This is the recommended option.

Option 2:

That Council not approve the annual renewal of insurance with Intact Public Entities Inc., in partnership with Kennedy Insurance Brokers Inc., in the amount of \$1,799,402.00 (plus HST) for municipal comprehensive insurance, for the term May 1, 2025 to May 1, 2026.

This is not the recommended option as the City's insurance policy will expire May 1, 2025, and the renewal is necessary to ensure adequate coverage is in place.

Recommended Option

That Council approve the annual renewal of insurance with Intact Public Entities Inc., in partnership with Kennedy Insurance Brokers Inc., in the amount of \$1,799,402.00 (plus HST) for municipal comprehensive insurance, for the term May 1, 2025 to May 1, 2026.

Respectfully submitted,

Name: Peter E.G. Leckie, B.A. (Hons.), LL.B.

Title: City Solicitor

I concur with this report and recommendation

Name: Margaret Karpenko, CPA, CMA

Title: Chief Financial Officer /Treasurer

Name: John Severino, P.Eng., MBA

Title: Chief Administrative Officer

Personnel designated for continuance:

Name: Margaret Karpenko, CPA, CMA

Title: Chief Financial Officer /Treasurer