



## County Council

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**Meeting Date:** June 24, 2025

**Submitted by:** Chris Traini, Deputy CAO, County Engineer and Cindy Howard, Deputy CAO, County Treasurer

**Subject:** 2025 Insurance Renewal

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### **BACKGROUND:**

Insurance is the transfer of risk from one entity to another. Typically, municipalities pay an annual premium to transfer the risk of future unknown losses to insurance companies. Coverage areas include Commercial General Liability, Fleet/Automobile, Errors and Omissions Liability, Cyber Insurance, etc.

Middlesex County is currently insured by Intact Public Entities (formerly Frank Cowan Company). Our County works with Tony Commisso of Intact Public Entities Inc. (IPE). IPE is a Canadian leader in providing specialized insurance programs, including risk management and claims services to municipal, public administration and community-based organizations across Canada.

### **ANALYSIS:**

The insurance program reflects a 12-month term. There is a separate policy in place for cyber insurance, but it reflects the same 12-month term. The following is a summary of recent renewals with Intact Public Entities, exclusive of the retail sales tax:

	<b>Cost Analysis</b>			
	Actual	Actual	Proposed	
	2023-2024	2024-2025	2025-2026	
	Intact Public Entities	Intact Public Entities	Intact Public Entities	
<b>Casualty</b>				
General Liability	\$ 941,521	\$ 941,521	\$ 979,182	
Errors and Omissions Liability	\$ 16,599	\$ 16,599	\$ 17,429	
Non-Owned Automobile Liability	\$ 536	\$ 536	\$ 536	
Environmental Liability	\$ 17,920	\$ 17,920	\$ 18,816	
Crime	\$ 2,292	\$ 2,292	\$ 2,292	
Volunteers' Accident	\$ 2,331	\$ 2,331	\$ 2,331	
Legal Expense	\$ 4,566	\$ 4,566	\$ 4,726	
Cyber	\$ -	\$ 35,106	\$ 35,000	
<b>Property</b>				
Property	\$ 102,782	\$ 116,631	\$ 127,670	
Equipment Breakdown	\$ 3,639	\$ 3,984	\$ 4,104	
<b>Automobile</b>				
Owned Automobile	\$ 104,057	\$ 110,007	\$ 117,707	
Excess				
Follow Form	\$ 47,090	\$ 47,090	\$ 49,445	
<b>Total Annual Premium</b>	<b>\$ 1,243,333</b>	<b>\$ 1,298,583</b>	<b>\$ 1,359,238</b>	

The proposed 2025/26 insurance program reflects total premiums of \$1,359,238 representing a 4.7% increase over the previous insurance program renewal cost. The proposed 2025/26 insurance program includes the additions and deletions of vehicles, equipment and property throughout 2024/2025.

In comparison, in the last 6 months of 2024 the provincial municipal average insurance rate increase ranged from 6-9%.

The property policy now carries a \$15,000 deductible. Last year the deductible was \$10,000. This is industry standard as insurers increase deductibles to match their guidelines based on total insured values. The proposal is insuring \$111.7 million of assets (buildings, contents and un-licensed equipment). This is an increase compared to \$107 million of assets last year.

The County's vehicle insurance (fleet coverage) deductible is \$10,000. The auto fleet has increased to 71 vehicles (68 vehicles in the last policy).

The County of Middlesex's general liability policy has been consistently maintained at \$25,000. We are one of the few counties that have a \$25,000 deductible, while most

county insurance deductibles are \$75,000 or \$100,000. The County has not been mandated by its insurer to increase its deductible due to its good claims history. The maintenance of the County's deductible allows the us to address potholes, road paint, and other smaller road-related claims in-house with more significant motor vehicle accident claims handled as insurance matters by the insurer. This approach keeps our reserves down and allows the county to maintain control over its deductible.


The cyber insurance is renewing at same rates, limits and deductible as last year.

#### **FINANCIAL IMPLICATIONS:**

The financial implications of this report are the payment of premiums. The 2025 budget includes the premium increase.

#### **ALIGNMENT WITH STRATEGIC FOCUS:**

This report aligns with the following Strategic Focus, Goals, or Objectives:

<b>Strategic Priority</b>	<b>Goal</b>	<b>Objectives</b>
Adaptability and Agility 	Modernize the County's administrative capabilities to strengthen decision-making, improve service delivery, and achieve better community outcomes	<ul style="list-style-type: none"><li>• Transform, modernize and continuously improve administrative systems and processes to increase efficiency and enhance the experience of residents and partners.</li></ul>

#### **RECOMMENDATION:**

**THAT** the 2025 Insurance Renewal report be received for information;

**AND THAT** the proposed 2025/26 insurance program as submitted by Intact Public Entities Inc. with a premium of \$1,359,238 for twelve months plus applicable taxes to June 30, 2026 be approved.