

## REPORT TO COUNTY COUNCIL

### 2025 Insurance Program

**To:** Warden and Members of County Council

**From:** Director of Corporate Services

#### RECOMMENDATION

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1. That County Council approve the 2025 General Insurance Program proposed by Intact Public Entities at a base premium rate of \$2,192,931, plus applicable taxes.

#### REPORT HIGHLIGHTS

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- Intact Public Entities proposed 2025 premium - \$2,192,931 (\$2,092,623 – 2024 premium);
  - \$102,308 increase or 4.9% over 2024

#### IMPLEMENTATION POINTS

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Upon Council approval of the recommendations contained in this report, the 2025 General insurance Program will take effect January 1, 2025.

#### Financial Impact

The 2025 draft budget insurance provision is expected to be sufficient to fund the proposed premium of \$2,192,931 plus applicable taxes, inclusive of any minor adjustments that occur at the time of renewal and additional premiums to be paid in the course of the year for additions of property, fleet and equipment.

#### Communications

County staff will work with Intact Public Entities to confirm all property and vehicle listings prior to the effective date of the insurance policy, January 1, 2025.



**2023-2026 STRATEGIC PLAN**

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Oxford County Council approved the [2023-2026 Strategic Plan](#) on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council’s vision of “Working together for a healthy, vibrant, and sustainable future.” These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendation in this report supports the following strategic goal.

**Strategic Plan Pillars and Goals**

PILLAR 1	PILLAR 2	PILLAR 3
		
<b>Promoting community vitality</b>	<b>Enhancing environmental sustainability</b>	<b>Fostering progressive government</b>
		<b>Goal 3.4 – Financial sustainability</b>

See: [Oxford County 2023-2026 Strategic Plan](#)

**DISCUSSION**

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**Background**

The last Request for Proposal that was issued by the County for the provision of Insurance and Risk Management Services was in the Fall of 2021. Only one submission, from Intact Public Entities (IPE), was received. The County’s insurance program was awarded to IPE on the basis of their Request for Proposal submission for a one-year term, January 1, 2022 to January 1, 2023, with the option to renew for each subsequent year, based on satisfactory performance and service.

In 2023, the County received IPE's 2024 renewal quote that contained an 18.2% increase related to the County’s Housing Insurance Program. IPE explained that they were transitioning out of offering social housing insurance, however they would continue to provide insurance for existing social housing clients, but for a much higher premium. In response, Council approved staff’s recommendation to place the house insurance program with the Housing Services Corporation (HSC) Marsh for the one-year term commencing on November 1, 2023.

At County Council's meeting held October 23, 2024, Council received [Report CS 2024-38](#), and approved HSC's housing insurance program renewal for the term November 1, 2024 to October 31, 2025 for premium of \$180,195, a 1.8% increase over 2024.

**Comments**

This year's insurance premium increases are showing positive signs of easing in significant premium increases that have burdened the municipal sector province-wide in the past few years. Those significant increases were largely due to increased claims activity compounded by an unstable economy due to the pandemic recovery and other economic factors, effectively constraining growth in insurance pools. This was the case with insurance markets and syndicates as a whole, because both public and private sectors' claims contribute to the volatile liability and property insurance market. In addition, there were several drivers contributing to the continued escalation in cost of claims, such as climate change and weather events, economic instability, joint and several liability, apportionment of liability (1% rule), class actions, cybersecurity, damage awards and future care costs. Regardless of whether these losses have impacted a municipality directly, the substantial escalation in the cost of claims to insurers and their syndicates heavily impacts the rates.

As the global insurance market is shifting away from the hard market conditions that characterized prior renewal terms, the annual premium increase for this year is significantly less than those of previous renewal terms, except 2024 which reflects the migration of the social housing program to HSC. To demonstrate the impact of the insurance market on the County's insurance renewal, Table 1 provides the percentage change in actual premiums paid over the past eight years.

**Table 1 – Revised Premium Change History**

<b>Coverage Year</b>	<b>Increase %</b>
2018	4.52%
2019	3.5%
2020	12.5%
2021	31.2%
2022	18.2%
2023	21.6%
2024 <sup>1</sup>	0.5%
2025 <sup>2</sup>	4.6%

Note<sup>1</sup> – Year of housing program migrating to IPE

The County's efforts to mitigate risks are established in the implementation of prudent practices across all the County's business activities. These proactive measures have proven effective in maintaining a relatively favourable claims history.

Table 2 provides a breakdown of the areas of coverage, respective limits, deductibles and costs for the general insurance program comparatively showing the premium for the expiring and renewal term.

Table 2 – Comparative 2024 and 2025 Coverage and Cost Breakdown (IPE only)

Coverage	Limit	Deductible	2024 Premium	2025 Premium	Percentage +/-
General Liability	\$15,000,000	\$50,000	\$1,299,182	\$1,324,782	2.0%
Excess Liability	10,000,000	0	72,568	74,019	2.0%
Errors and Omissions	15,000,000	50,000	38,513	39,283	2.0%
Non-owned Auto	15,000,000	500	448	448	0.0%
Environmental Liability	3,000,000	50,000	101,592	104,660	3.0%
Crime	1,000,000	50,000	3,621	3,621	0.0%
Councillors' Accident	250,000	0	2,461	2,461	0.0%
Legal Expense	100,000	0	5,865	6,130	4.5%
Aviation (Drone)	5,000,000	0	954	950	-0.4%
Property Insurance	550,857,002	50,000	406,961	477,312	17.3%
Equipment Breakdown	100,000,000	10,000	26,913	27,720	3.0%
Owned Automobile	N/A	25,000	131,545	131,545	0.0%
<b>Total Premiums</b>			<b>\$2,090,623</b>	<b>\$2,192,931</b>	<b>4.9%</b>

The largest premium increase is seen on the Property Insurance, with a rise of 17.3%. This increase is typical across property policies as it is largely influenced by global economic factors

such as increased property values and the higher cost of rebuilding. The increase is not reflective of claims history, as the County has received no new property claims for several years. The premium is more indicative of broader market trends and inflation, rather than claims related concerns specific to the County.

## **CONCLUSIONS**

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The coverage and limits offered by Intact Public Entities have been carefully reviewed and staff are recommending Council approve the Intact Public Entities 2025 Insurance Program Proposal.

## **SIGNATURES**

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### **Report Author:**

Original signed by

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Lindsey A. Mansbridge  
Clerk

### **Departmental approval:**

Original signed by

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Lynn S. Buchner, CPA, CGA  
Director of Corporate Services

### **Approved for submission:**

Original signed by

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Benjamin R. Addley  
Chief Administrative Officer