



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health; Emily Williams, CEO (Interim)

DATE: 2021 April 1

### HEALTH UNIT INSURANCE POLICY RENEWAL

#### **Recommendation**

*It is recommended that the Finance & Facilities Committee review and make recommendation to the Board of Health to approve the renewal of the Health Unit’s insurance as outlined in Report No. 12-21FFC re: “Health Unit Insurance Policy Renewal.”*

#### **Key Points**

- The Finance & Facilities Committee is responsible for periodically reviewing the Health Unit’s general insurance policy as part of its risk management practices.
- The last time the policy was reviewed was in the first quarter of 2020.
- Based on renewal discussions with current insurance providers, insurance premiums are expected to increase by 21% for Property & Casualty while Cyber-Risk is expected to increase by 31% due to market pressures in 2020 and anticipated pressures in 2021.
- A comprehensive review of both general and cyber insurance, as well as a request for market quotes, was put on hold due to shifting priorities in terms of COVID related work.

#### **Background**

A review of general insurance coverage was undertaken in 2018. In addition, the Health Unit has addressed privacy risk concerns by securing cyber-insurance and by working with the Information Technology team to introduce broad changes to enhance server backup, data recovery and Wide Area Network (WAN) infrastructure.

General insurance costs will increase by 21% (to \$92,310) in 2021. Nearly all premiums have increased over the prior year including: general liability premium (up 26.1%); Directors’ & Officers’ premium (up 25%); medical malpractice (up 20%); and errors & omissions (up 35%). Details of the current general insurance policy is attached as [Appendix A](#) (General) and [Appendix B](#) (Cyber), with a summary of premiums is provided below:

<b>Cost of Insurance (before Sales Tax)</b>	<b>2020</b>	<b>2021</b>	<b>% Change</b>
Property & Casualty	76,279	92,310	21.0 %
Cyber-Risk	11,070	14,500	31.0 %
<b>Total</b>	<b>87,349</b>	<b>106,810</b>	<b>22.3 %</b>

To ensure that insurance rates are competitive in the marketplace, the health unit plans to go to market for quotes on both general and cyber-insurance in the latter part of 2021. Both General Liability and Cyber insurance will be up for renewal on March 1, 2022.

This report was prepared by Healthy Organization Division.



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