



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health/CEO

DATE: 2018 February 1

HEALTH UNIT INSURANCE POLICY REVIEW

Recommendation

It is recommended that the Finance & Facilities Committee receive Report No. 001-18FFC re: "Health Unit Insurance Policy Review" for information.

Key Points

- The Finance & Facilities Committee is responsible for periodically reviewing the Health Unit's insurance policy as part of its risk management practices.
- The last time the policy was reviewed was in the fall of 2016, prior to renewal for 2017.
- The next renewal of the policy will take place March 1, 2018. Insurance is expected to increase by 2.1% in 2018.

In accordance with the 2017 Finance & Facilities Committee (FFC) Reporting Calendar, the FCC planned to review the Health Unit's insurance policy in the fourth quarter of 2017. However, due to staff turnover, the review is taking place at the beginning of Q1 2018. As a result, the 2017 rates received by the MLHU were held by Frank Cowan Company Ltd. until March 1, 2018. The insurance policy review provides the FFC with the necessary information for considering policy changes for this renewal period.

As new rates will not take effect until March 1, blended insurance costs will increase by 1.8% (to \$70,905) in 2018. Property insurance market pricing overall, and in particular the Lloyds market, has been affected by recent large catastrophic losses (hurricanes, fires, floods). Since property insurance pricing often subsidizes liability exposures, insurers are seeking rate increases across several lines. In spite of some double-digit increases being sought by insurers, Frank Cowan Company Ltd. was able to keep the premium increase under 5%. The liability premium is up 10%; however, they were able to decrease the excess layer cost by 25%. Medical malpractice is also up 4.5%.

The last insurance policy review was conducted in the fall of 2016, for the 2017 calendar year. Our insurance rates changed modestly from 2015 (\$69,737), to 2016 (\$69,724), to 2017 (\$69,657).

Details of the current insurance policy are attached as [Appendix A](#). Ms. Jessica Jaremchuk, Regional Manager, Frank Cowan Company Ltd., and Mr. Joe Belancic, Health Unit Manager of Procurement and Operations, will assist the Committee in its review.

This report was prepared by the Procurement and Operations Team, Corporate Services Division.

A handwritten signature in black ink, appearing to read 'C. Mackie'.

Christopher Mackie, MD, MHSc, CCFP, FRCPC
Medical Officer of Health/CEO