

AGENDA
MIDDLESEX-LONDON BOARD OF HEALTH
Finance & Facilities Committee

Microsoft Teams
Thursday, April 1, 2021 at 9:00 a.m.

1. DISCLOSURE OF CONFLICTS OF INTEREST

2. APPROVAL OF AGENDA – April 1, 2021

3. APPROVAL OF MINUTES – March 4, 2021

4. NEW BUSINESS

- 4.1. Q4 Financial Update and Factual Certification (Report No. 10-21FFC)
- 4.2. Canada Life Benefits – Renewal Rates (Report No. 11-21FFC)
- 4.3. Health Unit Insurance Policy Renewal (Report No. 12-21FFC)
- 4.4. 2021 COVID-19 Vaccine Related Costs (Report No. 13-21FFC)

5. OTHER BUSINESS

- 5.1. Next meeting: Thursday, May 6, 2021 at 9:00 a.m.

6. ADJOURNMENT



PUBLIC MINUTES
FINANCE & FACILITIES COMMITTEE
Microsoft Teams
Thursday, March 4, 2021 9:00 a.m.

MEMBERS PRESENT: Mr. Matt Reid (Chair)
Ms. Aina DeViet
Ms. Maureen Cassidy
Ms. Tino Kasi

REGRETS: Mr. Aaron O'Donnell

OTHERS PRESENT: Dr. Christopher Mackie, Secretary-Treasurer/Medical Officer of Health
Ms. Lynn Guy, Executive Assistant to the Medical Officer of Health (Recorder)
Ms. Stephanie Egelton, Executive Assistant to the Board of Health and Communications Coordinator
Ms. Emily Williams, Director, Healthy Organization/Interim CEO
Mr. Mirek Pawelec, Manager, Finance
Mr. Stephen Turner, Director, Environmental Health and Infectious Disease
Ms. Lil Marinko, Public Health Nurse/COVID-19 Outbreaks and Facilities Supervisor
Mr. Jake Jeffery, Media, CFPL

Chair Matt Reid called the meeting to order at **9:03 a.m.**

DISCLOSURES OF CONFLICT OF INTEREST

Chair Reid inquired if there were any disclosures of conflict of interest. None were declared.

APPROVAL OF AGENDA

Chair Reid noted that there was a walk on report to add to the agenda. Report No. 09-21-FFC Single Source Contract Award – KPMG.

It was moved by **Ms. Cassidy, seconded by Ms. Kasi**, that the amended **AGENDA** for the March 4, 2021 Finance & Facilities Committee meeting be approved.

Carried

APPROVAL OF MINUTES

It was moved by **Ms. Kasi, seconded by Ms. DeViet**, that the **MINUTES** of the February 11, 2021 Finance & Facilities Committee meeting be approved.

Carried

NEW BUSINESS

Public Sector Disclosure Act – 2020 Record of Employee’s Salaries and Benefits (Report No. 06-21FFC)

Ms. Williams noted the report shows an increase in staff on the list from the previous year because of overtime worked due to COVID-19. She noted that non-union management staff were paid straight time for their extra hours worked and unionized staff were paid time and a half as per their collective agreement language. Also noted was that these payments were paid for by the Ministry and not the Health Unit. It is not known at this time whether or not the Ministry will compensate non-union staff in the same way in 2021. Ms. Williams advised that staff have been asked to track their over-time regardless.

Chair Reid indicated that during this time, the Health Unit is one of the organizations that should be compensated for their time. Ms. Cassidy echoed his statement.

It was moved by **Ms. Kasi, seconded by Ms. Cassidy**, that the Finance & Facilities Committee make a recommendation to the Board of Health to receive Report No. 06-21FFC “Public Sector Salary Disclosure Act – 2020 Record of Employee’s Salaries and Benefits” for information.

Carried

2020 Vendor/VISA Payments (Report No. 07-21FFC)

Ms. Williams provided the update for this report.

She noted that this report shows a list of vendors that received payments totalling \$100,000 or more from MLHU in 2020. It also provides a summary of purchases that were made using Corporate Visa cards.

It was moved by **Ms. DeViet, seconded by Ms. Kasi**, that the Finance & Facilities Committee make a recommendation to the Board of Health to receive Report No. 07-21FFC, re: “2020 Vendor / VISA Payments” for information.

Carried

2020 Board of Health Remuneration (Report No. 08-21FFC)

Ms. Williams noted that the Health Protection and Promotion Act outlines the reimbursement for Board of Health members.

It was moved by **Ms. Cassidy, seconded by Ms. DeViet**, that the Finance & Facilities Committee make a recommendation to the Board of Health to receive Report No. 08-21FFC, “2020 Board of Health Remuneration” for information.

Carried

Single Source Contract Award - KPMG (Report 09-21FFC)

Ms. Williams provided the update for this walk on report. She noted that London Health Sciences Centre retained the services of KPMG in 2020 when they were setting up the Agriplex Vaccination Clinic and needed to initiate a Centralized Vaccine Inventory Management Process to support it. In January of this year, MLHU assumed oversight of the vaccine campaign at the Provinces direction. To ensure continuity at the clinics, MLHU retained KPMG to complete the Centralized Vaccine Inventory Management Process.

It was moved by **Ms. DeViet, seconded by Ms. Kasi**, *that the Finance & Facilities Committee make a recommendation to the Board of Health receive Report No. 09-20FFC, re: "Single Source Contract Award - KPMG" for information.*

Carried

OTHER BUSINESS

The next meeting is April 1, 2021.

ADJOURNMENT

At **9:25 a.m.**, it was moved by **Ms. Cassidy, seconded by Ms. Kasi** *that the meeting be adjourned.*

Carried

MATTHEW REID
Chair

CHRISTOPHER MACKIE
Secretary-Treasurer

DRAFT



TO: Chair and Members of the Finance & Facilities Committee

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

DATE: 2021 April 1

Q4 FINANCIAL UPDATE AND FACTUAL CERTIFICATE

Recommendation

It is recommended that the Finance & Facilities Committee recommend that the Board of Health:

- 1) Receive Report No. 10-21FFC re: “Q4 Financial Update and Factual Certificate” for information.*

Key Points

- The 2020 approved budget consists of a zero percent increase in Mandatory Programs funding from the Ministry of Health (MOH).
- At the close of Q2, the BOH advised MLHU staff to direct up to \$250,000 to long-term debt reservicing.
- Unexpected operating expenses in Q3 and Q4 reduced the Health Unit’s positive variance, and only \$4,794.00 was available to apply to debt reduction.
- Included in the financial update is a signed factual certificate, which provides assurance that financial and risk management functions are being performed.

Background

The Board of Health approved the 2020 operating budget on February 27, 2020 ([Report No. 02-20FFC](#)). The approved budget consists of no increase in Mandatory Programs funding from the MOH but does reflect a change of funding mix between the province and municipalities for previously 100% provincially funded programs.

MLHU currently has two term loans, one with a fixed interest rate for the City Plaza fit-up at an annual interest rate of 1.915% per annum amortized over 20 years, and the second one with a variable interest rate at Prime Rate minus 0.75% to cover timing of payroll obligations compared to timing of receipt of provincial funding. The variable rate portion of the loan can be pre-paid at any time without penalties.

Interest type	Interest rate	Amount
Fixed	1.915 %	\$ 3,050,000
Variable	Prime - 0.75 %	1,150,000
TOTAL		\$ 4,200,000

As part of the Q2 2020 Variance Report ([Report No. 21-20FFC](#)), the BOH approved the recommendation that “variance funds of up to \$250,000 in 2020 be applied towards relocation costs and to defray the anticipated borrowing costs related with the fit-up of the Citi Plaza location”. Unexpected operating costs in Q3 and Q4 have significantly eroded the Health Unit’s positive variance and the ability to make such a payment to reduce debt.

COVID-19 and Extraordinary Funding

In response to the COVID-19 pandemic, the Health Unit reassigned many of its staff to roles related to addressing the pandemic and supporting the community. The Budget Variance Summary has been modified with the addition of a 'COVID Reclassification' column, to show the costs related to supporting a community response to COVID 19. This assists in demonstrating what costs were covered by approved budgets for salaries and benefits of redeployed staff, and which costs were considered by the Ministry of Health (MoH) to be extraordinary, which will be funded through a one-time funding mechanism established by the MoH.

Financial Highlights

The Q4 Budget Variance Summary found in [Appendix A](#) represents an analysis of operating expenses based on the original budget for 2020 as approved by the Board of Health and outlined in Report 002-20FFC. The Variance Summary provides budgeted and actual expenditures for the full operating year for the programs and services governed by the Board of Health.

The current full year spending results in a breakeven position, fully offsetting the expected agency gapping budget of \$ 1,140,858, with \$4,794.00 directed to debt repayment. The cost of borrowing is outlined in the table above and remains low. As well, 2020 was an extraordinary year for MLHU and it is not anticipated that the same unexpected cost pressures will occur again in 2021.

Factual Certificate

A factual certificate, attached as [Appendix B](#), is to be signed by senior Health Unit administrators as an attestation for ensuring certain key financial and risk management functions are being performed to the best of their knowledge. The certificate is revised as appropriate on a quarterly basis and submitted with each financial update.

This report was prepared by the Finance Team, Healthy Organization Division.



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



Emily Williams, BScN, RN, MBA
Chief Executive Officer (Interim)

**MIDDLESEX-LONDON HEALTH UNIT
NET BUDGET VARIANCE SUMMARY**

As at December 31, 2020

	2020 YTD ACTUAL (NET)	COVID RECLASS	2020 YTD RESTATED (NET)	2020 YTD BUDGET (NET)	VARIANCE (OVER) / UNDER	% VARIANCE	DECEMBER FORECAST	FUNDING ADJUSTMENTS	2020 ANNUAL NET BUDGET	ANNUAL SURPLUS / (DEFICIT)	% VARIANCE	Comment / Explanation
Environmental Health & Infectious Disease												
Office of the Director	\$ 253,044	\$ 80	\$ 253,124	\$ 303,774	\$ 50,651	16.7%	\$ 253,124		\$ 303,774	\$ 50,651	16.7%	Lower spending in salaries \$33,740 and benefits \$10,191 due to staffing gap for executive assistant and travel clinic. Lower than planned program supplies \$4,060 and travel \$2,258.
Emergency Management	25,208	92,039	117,247	133,818	16,571	12.4%	117,247		133,818	\$ 16,571	12.4%	Favourable variances in travel \$3,000, program supplies \$6,184 and other program costs \$7,662 as focus shifted to emergency response to the pandemic.
Food Safety & Healthy Environments	1,458,724	279,625	1,738,349	1,740,468	2,119	0.1%	1,738,349		1,740,468	\$ 2,119	0.1%	Reduced spending for travel \$10,120, program supplies \$7,937 and staff development \$7,735 were partly offset by additional overtime costs (\$12,251) and lower than planned revenue (\$12,000) due to food handler courses on hold during the pandemic.
Infectious Disease Control	1,211,964	604,684	1,816,648	1,760,381	(56,267)	-3.2%	1,816,648		1,760,381	\$ (56,267)		Higher than planned overtime and shift premium (\$51,134) to address IDC priorities. Unanticipated spending on TB client (\$18,947). Offsetting favourable variances from travel \$3,706, staff development \$3,165 program supplies \$6,970 and professional services \$6,067.
Safe Water, Rabies & Vector-Borne Disease	949,976	208,081	1,158,057	1,400,550	242,493	17.3%	1,158,057		1,400,550	\$ 242,493	17.3%	Lower spending in salaries \$111,948 and benefits \$18,264 due to staffing gap, partly offset by higher overtime (\$19,892). Lower than planned program supplies \$14,546, travel \$18,598, staff development \$10,040, other program costs \$30,032 and lower than planned professional service fees \$54,475 which primarily included \$47,183 for mosquito ID and abatement programs.
Sexual Health	2,028,739	267,719	2,296,458	2,381,546	85,088	3.6%	2,296,458		2,381,546	\$ 85,088	3.6%	Lower spending for salaries \$101,012 and benefits \$54,011 due to decreased clinics and less need for casual employees, and lower spending for travel \$10,643, staff development \$4,063 and other program costs \$17,475. Lower than planned clinic revenues (\$308,772) are partly offset by lower program supplies \$180,647 and professional services \$47,012.
Vaccine Preventable Disease	1,349,104	344,708	1,693,812	1,477,248	(216,564)	-14.7%	1,693,812		1,477,248	\$ (216,564)	-14.7%	Higher salaries (\$116,905) and overtime (\$13,827) due to higher PHN casual hours for cold chain inspections and school clinics. Lower revenues (\$158,630) due to reduction in paid vaccine in the MLHU Immunization clinics and reimbursable vaccines due to school closures, partly offset favourable variances in benefits costs \$12,885 and program supplies \$54,635.
COVID-19	12,197,273	(6,644,508)	5,552,765	5,552,765	-		5,552,765	5,552,765		\$ -	0.0%	Incremental costs to support COVID-19 beyond transfer of operating budgets for staff redeployed. Assume that all out-of-budget incremental costs for COVID 19 will be funded by Ministry of Health.
Total Environmental Health & Infectious Disease	\$ 19,474,032	\$ (4,847,572)	\$ 14,626,460	\$ 14,750,550	\$ 124,090	0.8%	\$ 14,626,460	\$ 5,552,765	\$ 9,197,785	\$ 124,090	1.3%	
Healthy Living												
Office of the Director	\$ 168,365	\$ 9,880	\$ 178,245	\$ 264,565	\$ 86,320	32.6%	\$ 178,245		\$ 264,565	\$ 86,320	32.6%	Lower spending in salaries \$54,226 and benefits \$12,371 due to gapping. In addition, lower spending occurred in travel \$4,000, program supplies \$5,435, staff development \$2,688 and professional services \$5,000.
Child Health	969,458	660,504	1,629,962	1,654,321	24,359	1.5%	1,629,962		1,654,321	\$ 24,359		Higher spending for salaries (\$16,389) and unplanned overtime (\$19,336) primarily for additional casual public health nurses. These were more than offset by lower spending in benefits \$7,826, travel \$17,003, program supplies \$27,847 and staff development \$3,680.
Chronic Disease and Tobacco Control	936,843	272,869	1,209,712	1,550,626	340,914	22.0%	1,209,712		1,550,626	\$ 340,914	22.0%	Lower spending in salaries \$222,846 and benefits \$60,171 due to staffing gaps. Lower than planned program supplies \$34,432, travel \$12,072, professional services \$7,798 and other program costs \$2,522.
Healthy Communities and Injury Prevention	261,149	642,446	903,594	1,142,960	239,366	20.9%	903,594		1,142,960	\$ 239,366	20.9%	Lower spending in salaries \$152,686 and benefits \$40,024 due to staffing gap. Additional savings in travel \$7,883 program supplies \$25,954 staff development \$4,020 and professional services \$5,500 as program delivery was delayed due to COVID.
Oral Health	287,802	436,160	723,962	986,797	262,835	26.6%	723,962		986,797	\$ 262,835		Overall salary and benefits budget for both dental programs remained unchanged; however due to change in work priorities, more labour costs were allocated to Senior Dental program during the year. For Oral Health, this resulted in favourable variances for salaries \$166,617, benefits \$31,334 and lower spending for travel \$15,341, program supplies \$23,879 equipment costs \$12,800, staff development \$5,000 and other program costs \$5,855.

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Senior Dental Program	753,667	22,569	776,236	\$ 776,236	-	0.0%	776,236		776,236	\$ -		Senior Dental Program is 100% funded by Ministry of Health. Any unspent funds during the year must be returned. Funding received in 2020 was significantly underutilized due to hiring delays and inability to open a dental clinic during the pandemic. Subsequent to year end, the Ministry clawed back \$1,081,400 from original payment of \$1,861,400. Final adjustments will occur during the annual settlement process later in 2021. Funding of \$700,000 for a mobile bus has been deferred and can be redeployed to build out a second senior dental clinic in Middlesex County.
Southwest Tobacco Control Area Network	85,813	82,650	168,463	307,842	139,379	45.3%	168,463		307,842	\$ 139,379	45.3%	Lower spending in salaries \$86,846 and benefits \$20,330 due to staffing gap. Additional savings in travel \$4,769, program supplies \$123,846 and other program costs \$8,429 contributed to positive variances as program delivery was delayed due to COVID. These favourable variances were partly offset by a decision not to request provincial funding shortfall from other SWTCAN public health units (\$105,923).
Young Adult Health	627,371	443,667	1,071,038	1,108,234	37,196	3.4%	1,071,038		1,108,234	\$ 37,196	3.4%	A significant portion of the Young Adult Team were seconded to Covid during the year. Wages and benefits costs were virtually on budget. Favourable spending occurred in travel \$10,846, program supplies \$22,190, staff development \$2,716 and professional services \$3,987.
Total Healthy Living	\$ 4,090,468	\$ 2,570,744	\$ 6,661,212	\$ 7,791,581	\$ 1,130,369	14.5%	\$ 6,661,212	\$ -	\$ 7,791,581	\$ 1,130,369	14.5%	
Healthy Start												
Office of the Director	\$ 195,958	\$ -	\$ 195,958	\$ 212,473	\$ 16,515	7.8%	\$ 195,958		\$ 212,473	\$ 16,515	7.8%	Lower than planned travel \$2,458, program supplies \$7,577, staff development \$3,419 and other program costs \$1,309.
Best Beginnings	3,137,908	24,908	3,162,816	3,258,657	95,841	2.9%	3,162,816		3,258,657	\$ 95,841		Healthy Babies Healthy Children and Smart Start for Babies Programs are included with March 31 year-end programs (MLHU2) - assume that funding will be fully spent by March 31, 2021. Lower than planned spending in shared-funding programs for salaries \$59,429 and benefits \$17,117 from gapping, travel \$5,189 and professional services \$16,409.
Early Years Health	1,311,275	220,929	1,532,204	1,586,332	54,128	3.4%	1,532,204		1,586,332	\$ 54,128	3.4%	Lower spending in salaries \$13,478 and benefits \$5,245 due to staffing gap. Lower than planned program supplies \$27,832, travel \$8,929, and staff development \$2,970 were partly offset by unplanned overtime (\$4,747).
Reproductive Health	450,464	700,528	1,150,992	1,283,379	132,387	10.3%	1,150,992		1,283,379	\$ 132,387	10.3%	Lower spending in salaries \$52,773 and benefits \$14,239 due to staffing gap. Lower than planned program supplies \$34,578, travel \$7,538, staff development \$4,056, professional services \$11,814 and other program costs \$2,518. In addition, unplanned revenue was received \$4,447.
Total Healthy Start	\$ 5,095,605	\$ 946,366	\$ 6,041,971	\$ 6,340,841	\$ 298,870	4.7%	\$ 6,041,971	\$ -	\$ 6,340,841	\$ 298,870	4.7%	
Office of the Chief Nursing Officer	\$ 459,264	\$ 207,519	\$ 666,783	\$ 789,317	\$ 122,534	15.5%	\$ 666,783	\$ -	\$ 789,317	\$ 122,534	15.5%	Lower spending in salaries \$23,818 and benefits \$6,558 due to staffing gap. Lower than planned spending for travel \$5,834, program supplies \$6,086. A portion of the cost of NFP salary, benefits and admin costs were recovered from other participating health units \$84,682. These lower costs were partly offset by higher than planned staff development costs (\$4,909).
Office of the Medical Officer of Health												
Office of the Medical Officer of Health	\$ 450,281	\$ 4,044	\$ 454,326	\$ 434,265	\$ (20,061)	-4.6%	\$ 454,326		\$ 434,265	\$ (20,061)	-4.6%	Higher spending for salaries (\$28,628), benefits (\$4,790) and overtime (\$1,426) partly offset by lower spending for travel \$5,749, program supplies \$2,172, staff development \$4,492, professional services \$1,700 and other program costs \$944.
Communications	532,633	4,141	536,774	585,737	48,963	8.4%	536,774		585,737	\$ 48,963	8.4%	Reduced spending for normal programming including favourable variances for salaries \$26,549 and benefits \$6,833, travel \$2,451, program supplies \$1,768, staff development \$1,965 and other program costs (staff appreciation day) \$8,896.
Associate Medical Officer of Health	323,270	1,162	324,431	290,148	(34,283)	-11.8%	324,431		290,148	\$ (34,283)	-11.8%	Higher spending for salaries (\$30,695), benefits (\$3,444) and travel (\$807) partly offset by lower spending for staff development \$993.
Population Health Assessment & Surveillance	251,247	265,230	516,477	549,380	32,903	6.0%	516,477		549,380	\$ 32,903	6.0%	Lower spending in salaries \$7,308 and benefits \$21,044 due to staffing gap, travel \$3,000, program supplies \$2,021, and staff development \$3,000 partly offset by unplanned overtime (\$3,671).
Community Outreach & Clinical Support Service	805,182	1,006	806,188	867,067	60,879	7.0%	806,188		867,067	\$ 60,879	7.0%	Lower spending in salaries \$37,309 and benefits \$44,096 due to staffing gap partly offset by unplanned program supplies (\$24,182).

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Total Office of the Medical Officer of Health	\$ 2,362,613	\$ 275,583	\$ 2,638,196	\$ 2,726,597	\$ 88,401	3.2%	\$ 2,638,196		\$ 2,726,597	\$ 88,401	3.2%	
Healthy Organization												
Office of the Director	\$ 530,703	\$ 8	\$ 530,711	\$ 366,239	\$ (164,472)	-44.9%	\$ 530,711		\$ 366,239	\$ (164,472)		Unplanned salaries (\$211,950) and benefits (\$7,585) for VP Modernization / CEO partly offset by gapping to replace Director position \$4,841 and savings in travel \$15,611 staff development \$17,848 and professional services \$19,736.
Finance	355,414	35,038	390,452	376,539	(13,913)	-3.7%	390,452		376,539	(13,913)		Higher salaries (\$11,017) and benefits (\$3,104) due to overlap of two managers and unplanned overtime (\$1,410) partly offset by lower supplies costs \$2,119.
Human Resources	\$ 330,287	\$ 410,494	\$ 740,781	\$ 718,985	(21,796)	-3.0%	740,781		718,985	(21,796)		Higher than planned salaries and benefits (\$30,894) partly offset by lower spending on professional services \$7,917 and program supplies \$1,049.
Information Technology	1,118,785	128,039	1,246,824	1,208,932	(37,892)	-3.1%	1,246,824		1,208,932	(37,892)		Higher than planned software (\$138,574), telecommunications costs (\$59,899) and technology consulting fees (\$40,011) are partly offset by lower than planned equipment costs \$184,142 and staff overtime \$10,821.
Privacy Risk & Governance	\$ 79,413	\$ 38,923	\$ 118,336	\$ 159,272	40,936	25.7%	118,336		159,272	40,936		Lower spending in salaries \$32,308 and benefits \$6,183 due to staffing gap and lower spending on program supplies of \$2,446.
Procurement & Operations	192,253	245	192,498	187,821	(4,677)	-2.5%	192,498		187,821	(4,677)	-2.5%	Additional casual labour cost to support move to Citi Plaza.
Program Planning & Evaluation	\$ 527,457	\$ 234,455	\$ 761,912	\$ 884,728	122,816	13.9%	761,912		884,728	122,816	13.9%	Lower spending in salaries \$103,722 and benefits \$32,499 due to staffing gap for program evaluator and manager and lower spending for program supplies \$4,719 partly offset by unplanned overtime (\$7,283), and professional fees (\$10,004) for the rapid risk factor surveillance system survey to better assess the Health Unit's response to COVID 19.
Strategic Projects	268,892	158	269,050	276,792	7,742	2.8%	269,050		276,792	7,742		Favourable variance in salaries \$7,958 and benefits \$1,536 due to gapping for manager position, lower spending for program supplies \$1,279 and other program costs \$1,119, partly offset by higher than planned professional fees (\$3,992) for offsite record retention costs.
Total Healthy Organization	\$ 3,403,204	\$ 847,360	\$ 4,250,564	\$ 4,179,308	\$ (71,256)	-1.7%	\$ 4,250,564		\$ 4,179,308	\$ (71,256)	-1.7%	
General Expenses & Revenues	3,063,591	-	3,063,591	2,511,441	(552,150)	-22.0%	\$ 3,063,591		\$ 2,511,441	\$ (552,150)	-22.0%	Higher operating costs include higher than anticipated labour contract costs (\$245,000), higher than planned legal costs (\$94,162), higher benefits administration costs (\$188,113) and higher professional fees related to relocation (\$117,466) which are partly offset by lower spending in postage / courier \$30,020, equipment costs \$33,621, travel \$19,925, Board expenses \$7,901, meeting costs \$5,336, higher misc. revenues \$7,321 and contribution to a capital reserve (\$4,794).
Total Expenditures Before Expected Gapping	\$ 37,948,777	\$ 0	\$ 37,948,777	\$ 39,089,635	\$ 1,140,858	2.9%	\$ 37,948,777	\$ 5,552,765	\$ 33,536,871	\$ 1,140,858	3.4%	
Less: Expected Agency Gapping Budget				(1,140,858)	(1,140,858)				(1,140,858)	(1,140,858)		
TOTAL BOARD OF HEALTH EXPENDITURES	\$ 37,948,777	\$ 0	\$ 37,948,777	\$ 37,948,777	\$ 0	0.0%	\$ 37,948,777	\$ 5,552,765	\$ 32,396,013	\$ 0	0.0%	

Middlesex-London Health Unit
FACTUAL CERTIFICATE

To: Members of the Board of Health, Middlesex-London Health Unit

The undersigned hereby certify that, to the best of their knowledge, information and belief after due inquiry, as at December 31, 2020:

1. The Middlesex-London Health Unit is in compliance, as required by law, with all statutes and regulations relating to the withholding and/or payment of governmental remittances, including, without limiting the generality of the foregoing, the following:
 - All payroll deductions at source, including Employment Insurance, Canada Pension Plan and Income Tax;
 - Ontario Employer Health Tax; and
 - Federal Harmonized Sales Tax (HST).Further, staff believe that all necessary policies and procedures are in place to ensure that all future payments of such amounts will be made in a timely manner.
2. The Middlesex-London Health Unit has remitted to the Ontario Municipal Employees Retirement System (OMERS) all funds deducted from employees along with all employer contributions for these purposes.
3. The Middlesex-London Health Unit is in compliance with all applicable Health and Safety legislation.
4. The Middlesex-London Health Unit is in compliance with applicable Pay Equity legislation.
5. The Middlesex-London Health Unit has not substantially changed any of its accounting policies or principles since December 8, 2016.
6. The Middlesex-London Health Unit reconciles its bank accounts regularly and no unexpected activity has been found.
7. The Middlesex-London Health Unit has filed all information requests within appropriate deadlines.
8. The Middlesex-London Health Unit is in compliance with the requirements of the Charities Act, and the return for 2019 has been filed.
9. The Middlesex-London Health Unit has been named in a legal action with respect to ‘Cali Nails’ or ‘the numbered company that operated Cali Nails’ for damages arising from the Order to close for Infection Prevention and Control (IPAC) infractions, and the publication of the associated Closure Order. The claim alleges that, as the Order to close and the associated public notice that the IPAC infractions could lead to blood borne infections, this directly led to the drop in its business and the closure of the salon. Ultimately damages are being sought as a result.
10. The Middlesex-London Health Unit has been named in a complaint to the Human Rights Tribunal of Ontario by a former student. The hearing has been completed and a decision to dismiss has been rendered that found no violation of human rights. The individual filed an Application to Divisional Court for a Judicial Review which was dismissed, the individual is now seeking motion for leave to

appeal. MLHU has also been named in a second complaint to the Human Rights Tribunal of Ontario by the same individual. This application is in respect to the recruitment of three management positions for which he was not selected for an interview.

11. The Middlesex-London Health Unit is fulfilling its obligations by providing services in accordance with our funding agreements, the Health Protection & Promotion Act, the Ontario Public Health Standards, and as reported to the Board of Health through reports including but not limited to:

- Quarterly Financial Updates;
- Annual Audited Financial Statements;
- Annual Reporting on the Accountability Indicators;
- Annual Service Plans; and
- Information and Information Summary Reports.

Dated at London, Ontario this 1st day of April, 2021

Dr. Christopher Mackie
Medical Officer of Health

Emily Williams
Chief Executive Officer (Interim)



TO: Chair and Members of the Finance & Facilities Committee

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

DATE: 2021 April 1

CANADA LIFE BENEFITS – RENEWAL RATES

Recommendation

It is recommended that the Finance & Facilities Committee review and make a recommendation to the Board of Health to approve the renewal of the group insurance rates administered by Canada Life as described in Report No. 11-21FFC re: “Canada Life Benefits – Renewal Rates”.

Key Points

- The group benefits contract with Canada Life (formerly Great-West Life (GWL)) was renewed effective January 1, 2021 following staff review in December of 2020 with AON Hewitt (AON).
- As part of the renewal, the recommended insurance premiums will remain unchanged from prior year with the exception of Group Medical Assistance / Virtual Health Service (GMA) which increased by 210% or \$ 305 monthly.
- Overall, the impact on the Benefit rate changes is an increase in costs of 0.3% or \$3,654 annually.

Background

Since 2013, with the assistance of AON Hewitt (AON), MLHU has been insured by Canada Life (formerly Great West Life) for insured benefits [Life, Accidental Death & Dismemberment (AD&D), Long-Term Disability (LTD), and Pooling and Administrative Services Only (ASO)]. Rate guarantees have been in place with the current rate guarantee set to expire January 2022. [Appendix A](#) provides a detailed renewal analysis.

For 2021, rates remain unchanged from 2020, with the exception of Group Medical Assistance (GMA) which has an increase of 210% or \$305 monthly, as a result of the addition of Virtual Health Services. Table below shows the changes in proposed rates.

Benefit	GWL		AON		Change	Change %
	Current	Proposal	Negotiated			
Life	\$ 9,101	\$ 9,101	\$ 9,101	\$ -	0 %	
AD&D	1,049	1,049	1,049	-	0 %	
Long Term Disability	11,143	11,143	11,143	-	0 %	
GMA ¹	145	450	450	305	210.3 %	
Medical	61,365	68,207	61,365	-	0 %	
Dental	33,457	36,470	33,457	-	0 %	
Total benefits	\$ 116,259	\$ 126,418	\$ 116,564	\$ 305	0.3 %	
Annual Benefits	\$ 1,395,112	\$ 1,517,019	\$ 1,398,766	\$ 3,654	0.3 %	

¹ GMA - Group Medical Assistance / Virtual Health Service

Conclusion

The Health Unit's contract with Canada Life to provide group insurance has renewed effective January 1, 2020 with a rate guarantee expiring January 2022. The premium increase for 2021 is \$ 3,654.

This report was prepared by the Healthy Organization Division.



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



Emily Williams, BScN, RN, MBA
Chief Executive Officer (Interim)



January 1, 2021 Renewal Analysis

Middlesex-London Health Unit

December 7, 2020

Prepared by Health Solutions

Presentation to Middlesex-London Health Unit

Agenda

- Introduction
- Executive Summary
- Renewal of Premium Rates
- Expenses and Pooling Review
- Renewal of Deposit Rates
- Canada Life's Drug Solutions Report
- Drug Plan Management Strategies
- Best Practices
- Recommendations
- Appendices

Introduction

- Canada Life Policy # 165855 (Life Insurance, Accidental Death & Dismemberment (AD&D) and Long Term Disability (LTD))
 - Effective February 1, 2013
 - 2021 Renewal: Under rate guarantee until January 1, 2022

- Canada Life Policy # 58469 (Administrative Services Only (ASO) Health & Dental)
 - Effective February 1, 2013
 - Deposit Adjustment: January 1, 2021

- ONA LTD information is not included in this report, as this group is insured and managed with another provider/broker

- For January 1, 2019, Aon conducted a limited marketing with Canada Life
 - Canada Life was given the opportunity to provide rate savings in the absence of a marketing
 - For all insured benefits, Canada Life provided rate discounts with rate guarantees
 - For the ASO benefits, Canada Life provided ASO expense reductions with expense guarantees

Executive Summary

- **Renewal of Premium/Deposit Rates**
 - On a combined basis, the proposed overall change to the annual premium is an increase of 8.7% or about \$121,900 annually
 - After negotiations with Canada Life, the overall change to the annual premium is an increase of 0.3% or about \$3,700 annually

- **Renewal of Insured Benefits**
 - Life Insurance, AD&D, Group Medical Assistance/Virtual Health Service (GMA/VHS) and LTD
 - Canada Life's proposed rates:
 - Life – Rate guarantee until January 1, 2022
 - AD&D – Rate guarantee until January 1, 2022
 - GMA/VHS – VHS at \$1 per employee per month has been lumped into GMA rates
 - LTD – Rate guarantee until January 1, 2022
 - We agree to the proposed renewal positions

...Executive Summary

- Renewal of Deposit Rates
 - ASO Benefits – Health and Dental
 - Canada Life proposed:
 - ♦ Health Combined – 11.1% increase
 - ♦ Dental – 9.0% increase
 - ♦ The current ASO Deposit float is set at \$84,000, which is equal to one month of claims
 - Aon Analysis Position:
 - ♦ Health Combined – +1%
 - ♦ Dental – +2%
 - ♦ Aon recommends keeping the current rates unchanged and maintaining a minimum float of \$150,000. Approximately 1.5 months claims and expenses
 - The ASO balance at October 31, 2020 was \$338,969 (unaudited)
 - MLHU made a withdrawal of \$250,000 in September
- Aon recommends the MLHU accept our recommended deposit rates, found in Appendix B

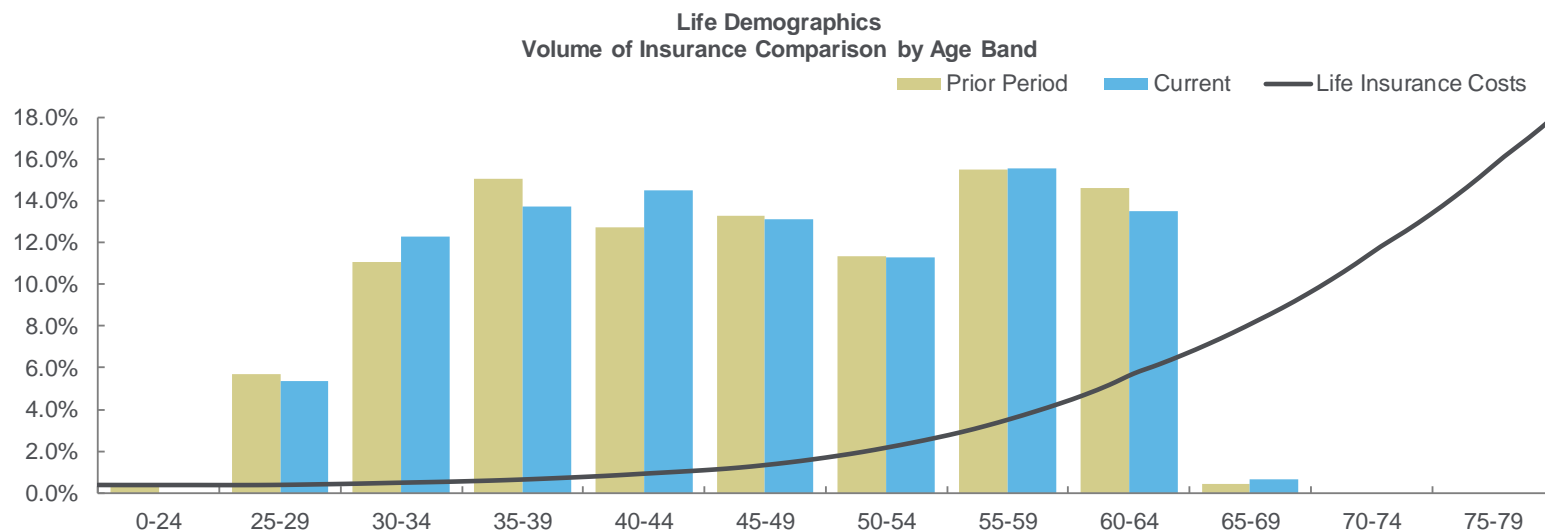
Renewal of Premium Rates

▪ **Basic Life Insurance**

- Basic Life is underwritten on a non-refund accounting basis with Canada Life
 - Based on Canada Life's manual rating which reflects workforce demographics, industry & occupation, interest & mortality
- Rates are under guarantee until January 1, 2022
 - The current billed rate (i.e. the rate negotiated in 2019 renewal) of \$0.220 is 77.5% of GWL's current manual rate at \$0.284
 - Aon's demographic change analysis suggests a rate decrease of 2.9%
 - We expect that rates will increase at next renewal, to better align with Canada Life's manual rate
- **Comments**
 - There were no death claims during the period January 1, 2017 to August 31, 2020

...Renewal of Premium Rates

▪ Basic Life Insurance



- Number insured decreased from 297 to 296
- Insured volume increased from \$41,232,000 to \$41,366,000

...Renewal of Premium Rates

- **Accidental Death and Dismemberment Insurance**
 - AD&D is underwritten on a non-refund accounting basis with Canada Life
 - Rates are under guarantee until January 1, 2022

- The current premium rate is at \$0.030/\$1,000/month

- Typically, we see rates of \$0.03 to \$0.05 from large carriers for this coverage

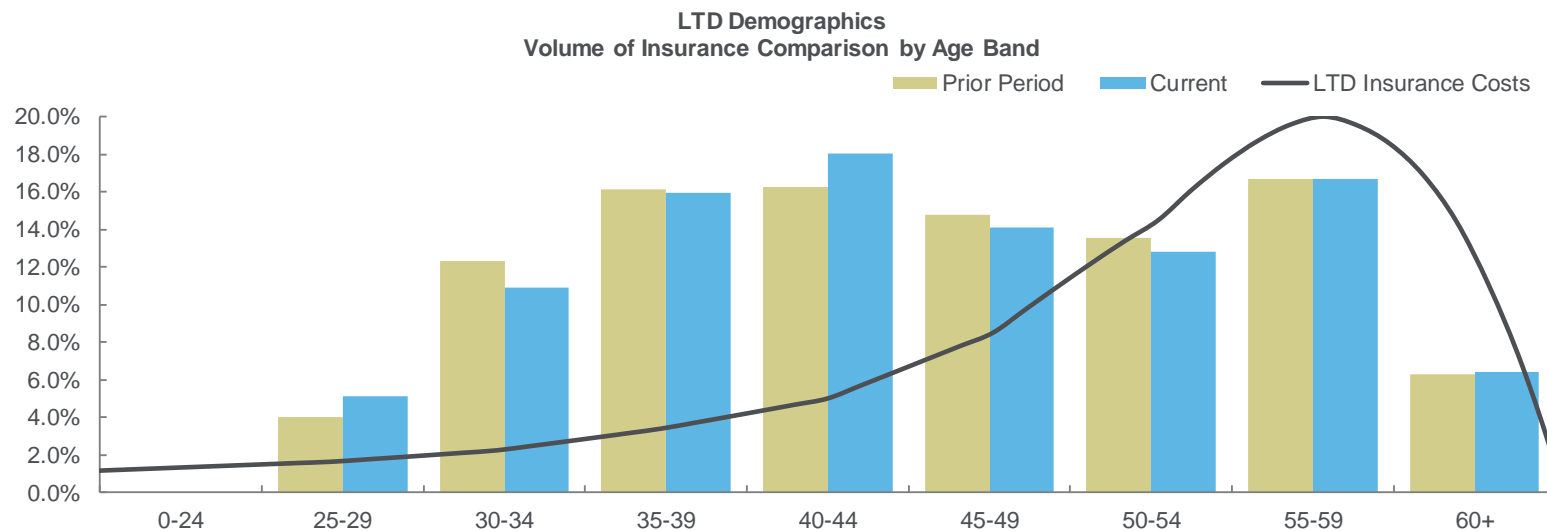
...Renewal of Premium Rates

▪ Long Term Disability

- LTD is underwritten on a non-refund accounting basis with Canada Life
 - Based on Canada Life's manual rating which reflects workforce demographics, industry & occupation, interest, incidence & termination rates
- Rates are under guarantee until January 1, 2022, with the first 24 months guaranteed regardless of experience and the additional 12 months under the following scenarios:
 - Continue to be guaranteed provided there are no more than 2 open LTD claims at the time the renewal is produced; or,
 - If there are more than 2 open claims, no more than a 10% increase to the LTD benefit
- There are no open LTD claims as of August 31, 2020 and the rate will continue to be guaranteed for 2021 renewal
- The current billed rate (i.e. the rate negotiated in 2019 renewal) of \$2.460 is 68.9% of GWL's current manual rate at \$3.570
- Aon's demographic change analysis suggests a decrease of 1.2% to the rate
- We expect that rates will increase at next renewal, to better align with Canada Life's manual rate
- **Comments**
 - There were no LTD claims during the period November 1, 2019 to July 31, 2020
 - ♦ There are no disabled life reserves

...Renewal of Premium Rates

▪ Long-term Disability



- Number insured decreased from 160 to 159
- Insured volume increased from \$449,580 to \$452,955

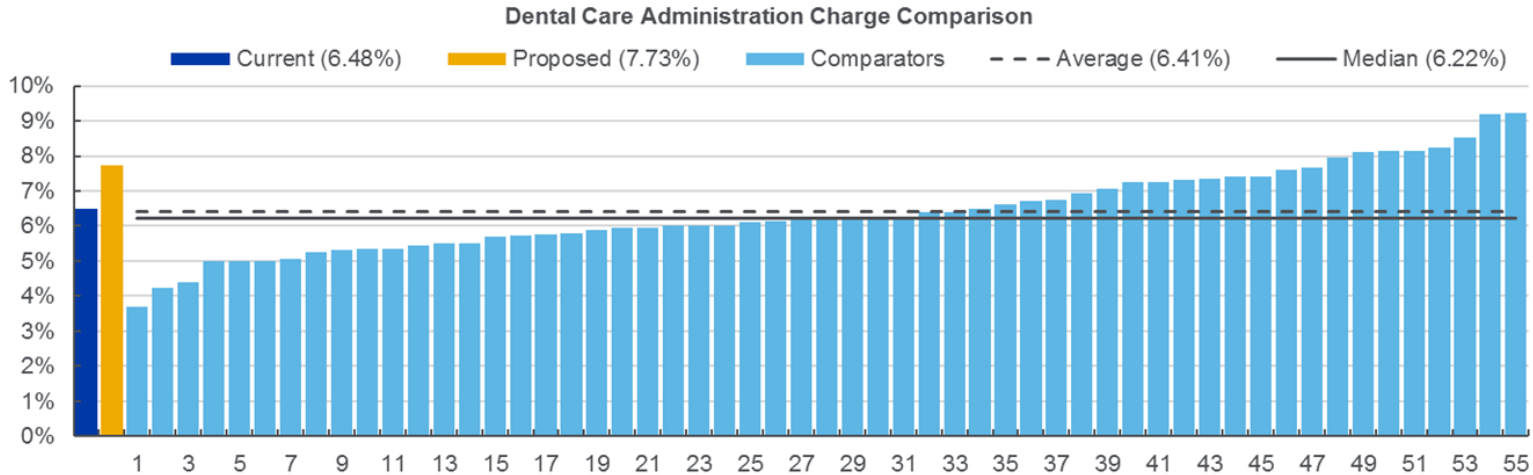
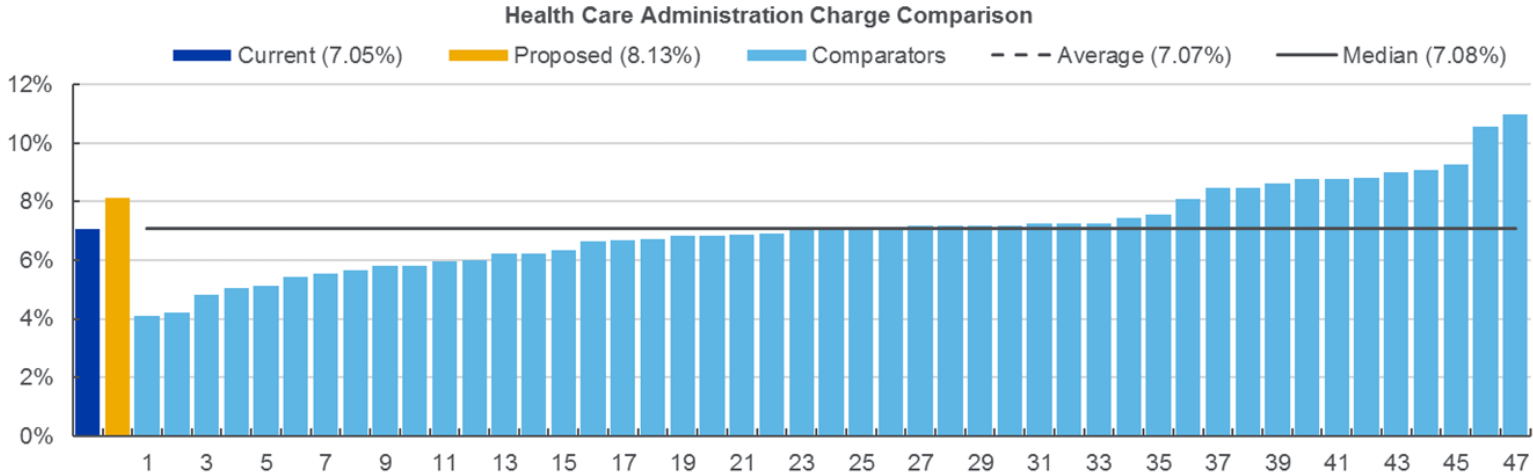
Expenses and Pooling Review – ASO Expenses

Annual Retention Charges	Current	2021 Proposed	2021 Negotiated
General administration	2.55% of claims	2.83% of claims	2.55% of claims
Claims administration			
Health Care	3.95% of claims	4.25% of claims	3.95% of claims
Drugs	2.40% of claims	3.25% of claims	2.40% of claims
Vision Care	3.95% of claims	4.25% of claims	3.95% of claims
Dental Care	2.45% of claims	3.25% of claims	2.45% of claims
Risk*	0.15% of claims	0.17% of claims	0.15% of claims
Profit	1.33% of claims	1.48% of claims	1.33% of claims
Taxes	2.00% of premiums	2.00% of premiums	2.00% of premiums
Commissions	3.00% of premiums	3.00% of premiums	3.00% of premiums

*The risk charged is waived for the funding period in which the required GWL float is maintained

- The above proposed changes to the ASO expenses result in an approximate 5.1% or \$3,909 increase to the total expenses for Health and Dental benefits
- Aon recommended no change to the expenses to ensure that rates are competitive in the market
- Canada Life has agreed to maintain the current ASO expenses for the 2021 plan year

Expenses and Pooling Review – ASO Expenses



Expenses and Pooling Review – Pooling

■ Pooling

- Canada Life proposed to increase the Health Pool Charge from 14.73% to 15.76% of paid claims for both actives and retirees (i.e. an annual increase of about \$5,460)
 - The pooling level is \$25,000/individual in-country and 1st dollar out of country
 - There were 2 health pooled claimants during the current period with OOC claims totaling \$6,492 whereas in the prior period there were 8 claimants and \$4,756 in pooled claims
 - Pooled premiums for the experience period September 1, 2019 – August 31, 2020 amounted to \$72,658

Arrangement	Pooling Expense	Pooling Charge	Pooled Claims	Savings from Current Charge
Current Arrangement - \$25,000/\$1 OOC	15.76%	\$ 78,054	\$ 6,492	
\$30,000/ \$1 OOC	12.66%	\$ 62,701	\$ 6,492	\$ 15,353
\$35,000/ \$1 OOC	11.71%	\$ 57,996	\$ 6,492	\$ 20,058
\$50,000/ \$1 OOC	10.10%	\$ 50,022	\$ 6,492	\$ 28,032
* all pooled claims were OOC				

Renewal of Deposit Rates

- **Extended Health Care (incl. Health, Drug and Vision)**

- **Background**

- Since March 2020, health claims have seen unusual reductions mostly due to restrictions and shutdown of health service providers resulting from COVID-19
- We have applied claims adjustments to bring the affected claims back to a normal level when determining renewed deposit rates

- **Canada Life Analysis**

- Based on 100% credibility on 12 months of experience from September 2019 to August 2020, where claims for March 2020 to June 2020 have been replaced by April 2019 to July 2019
- Annual trend factor of 11.5% on Health, Drug and Vision
- Proposing a combined 11.1% increase

- **Aon Analysis**

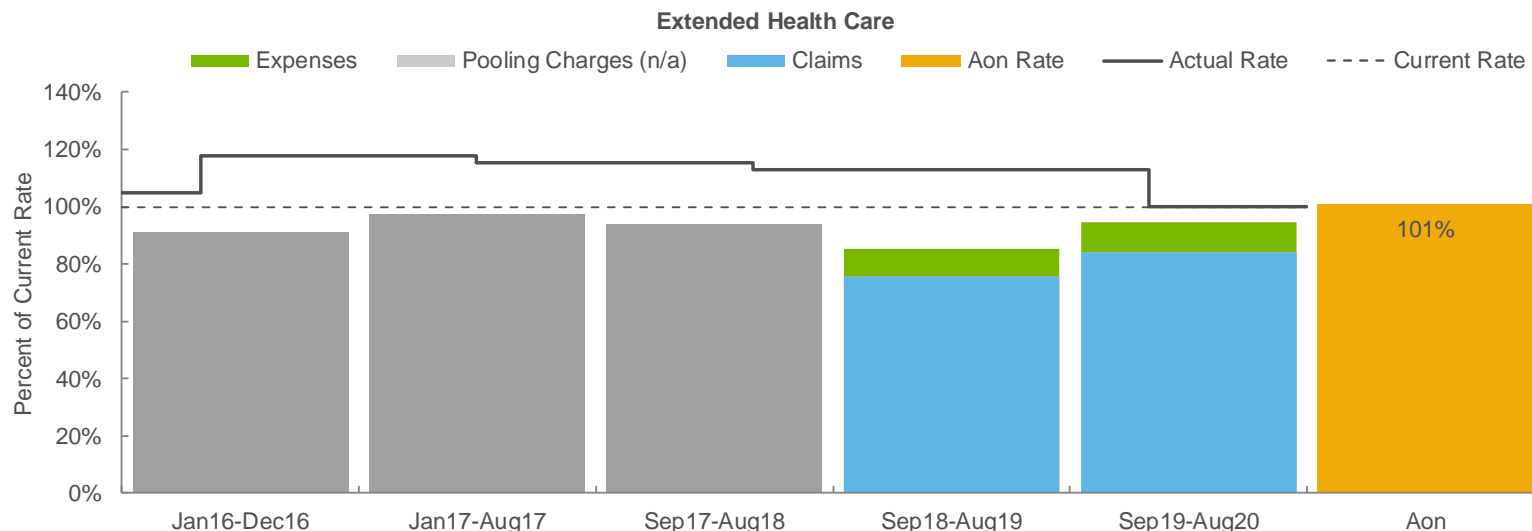
- Based on 100% credibility on the 24 months of experience (September 2018 – August 2019 & September 2019 – August 2020), with 75% of the weighting to the most current year of experience
- Claims for March 2020 to August 2020 have been adjusted to eliminate the impact from COVID-19
- Annual trend factor of 6.0% on Health, Drug and Vision

- Our analysis suggests that a 1% increase would be warranted; However, we recommend no change to the Extended Health Care rates given the significant surplus on account

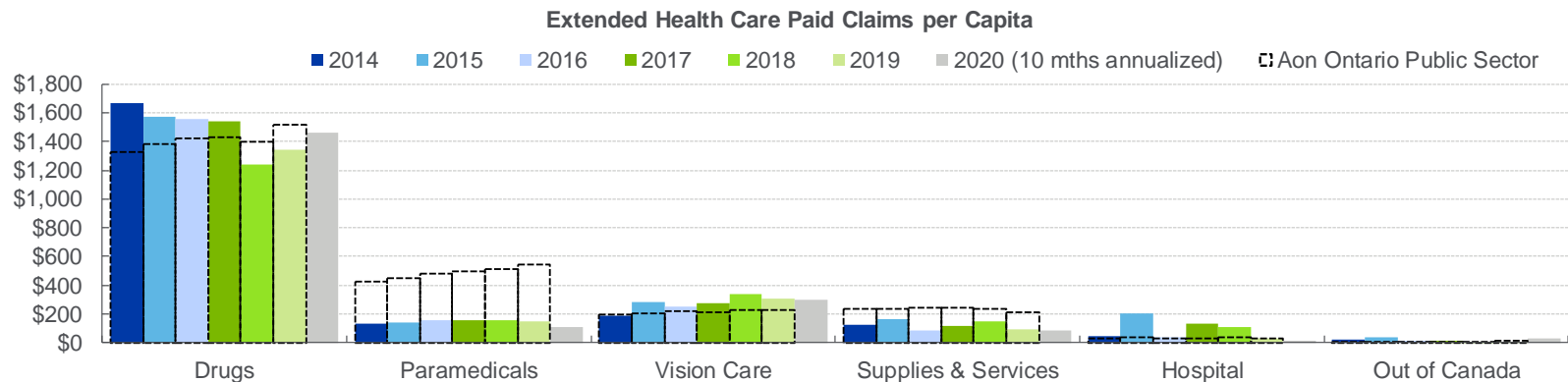
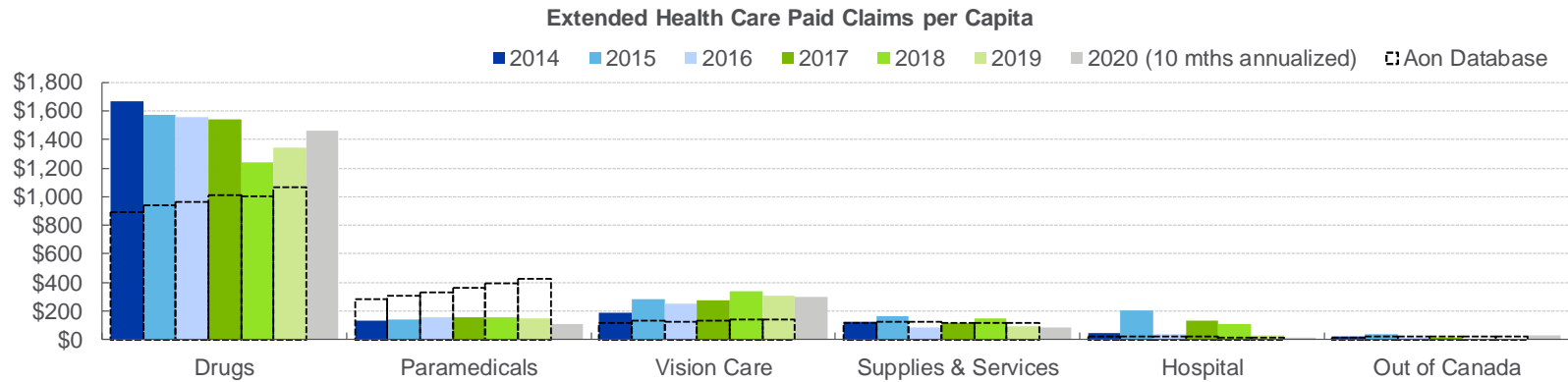
...Renewal of Deposit Rates

Extended Health Care (incl. Health, Drug and Vision)

- The following chart illustrates the EHC experience for the plan since January 2016
 - The blue and green bars for the **September 2018 – August 2020** period represent the paid claims and expenses respectively as a percentage of the current rate level that are within the experience period
 - The dark grey bars indicate experience outside the review period
 - The dark solid line indicates the actual rates charged, while the dotted line represents the current rate level
 - The orange bar illustrates the required renewal change based on Aon's analysis with full credibility applied to the experience

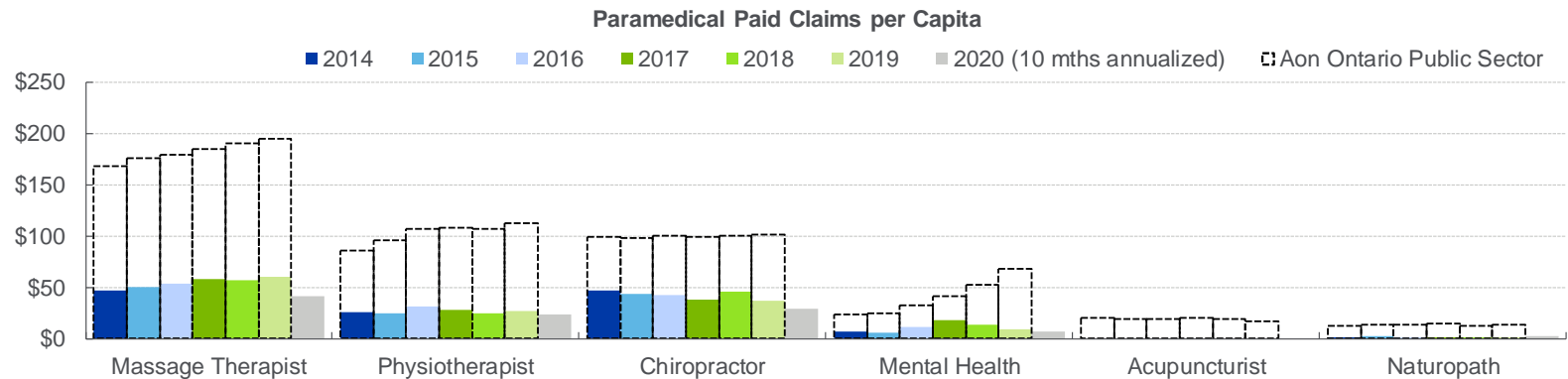
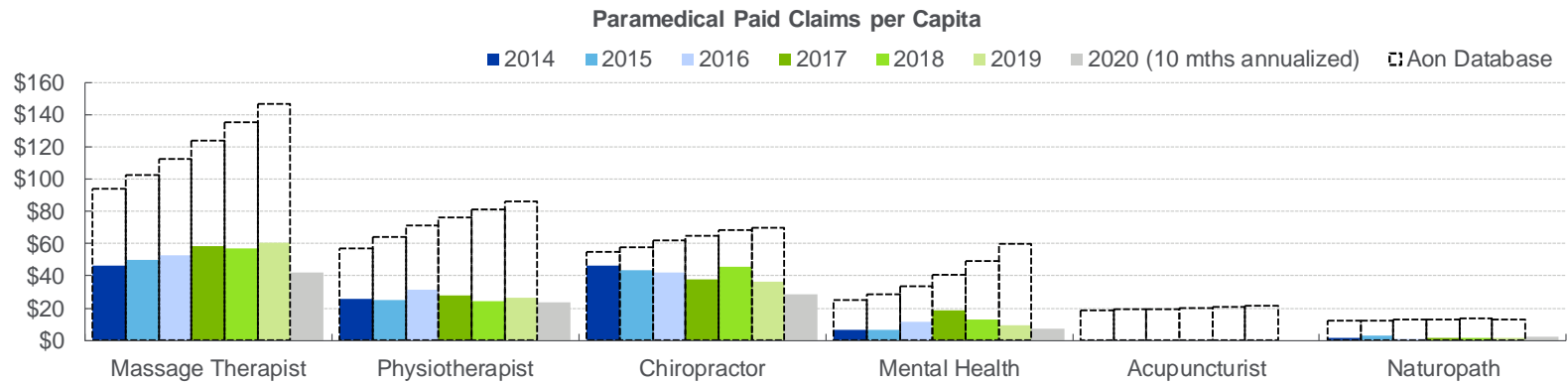


...Renewal of Deposit Rates



- Active employees only

...Renewal of Deposit Rates



- Active employees only

...Renewal of Deposit Rates

▪ **Dental Care**

– **Background**

- Since March 2020, dental claims have seen unusual reductions mostly due to restrictions and shutdown of dental service providers resulting from COVID-19
- We have applied claims adjustments to bring the affected claims back to a normal level when determining renewed deposit rates

– **Canada Life Analysis**

- Based on 100% credibility on 12 months of experience from September 2019 to August 2020, where claims for March 2020 to June 2020 have been replaced by selected 2019 claims
- Annual trend factor of 10.4% on Dental
- Proposing a 9% increase

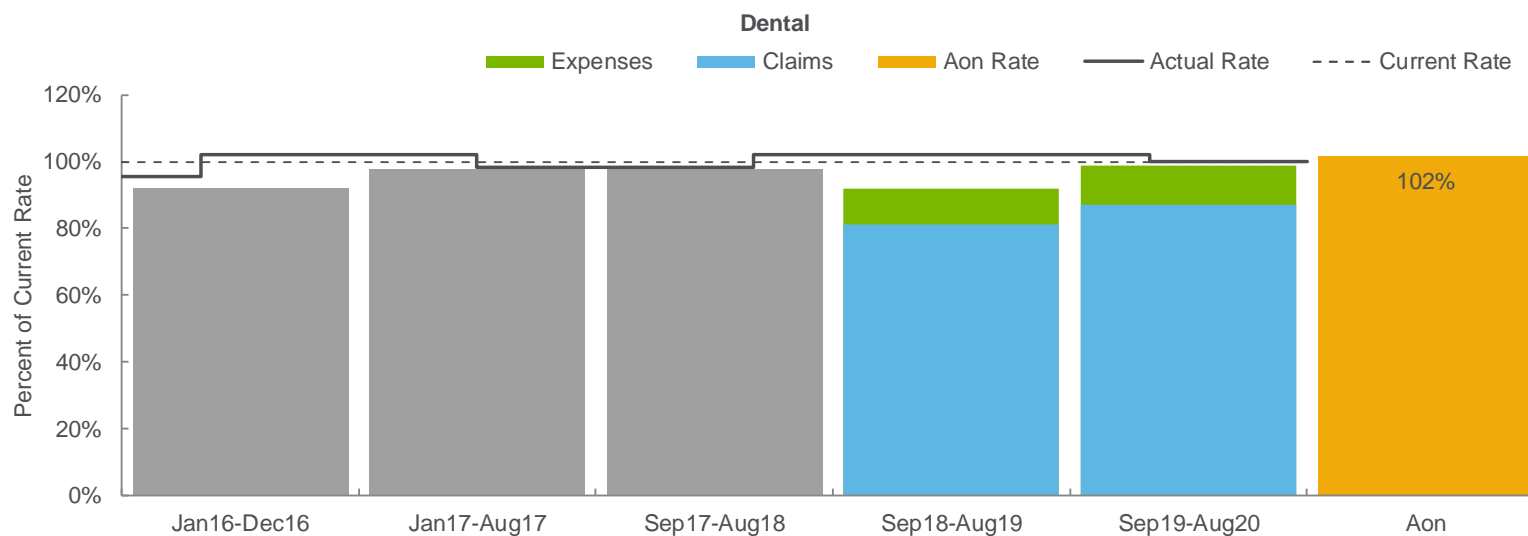
– **Aon Analysis**

- Based on 100% credibility on the 24 months of experience (September 2018 – August 2019 & September 2019 – August 2020), with 75% of the weighting to the most current year of experience
 - Claims for March 2020 to August 2020 have been adjusted to remove the impact from COVID-19
 - Annual trend factor of 3.0% on Dental
 - The MLHU's Dental year-over-year per capita spend for the 2020 year annualized shows a 23.2% decrease, which includes claims that were impacted by COVID-19 closures
- Our analysis suggests that a 2% increase would be warranted; However, we recommend no change to the Dental rates given the significant surplus on account

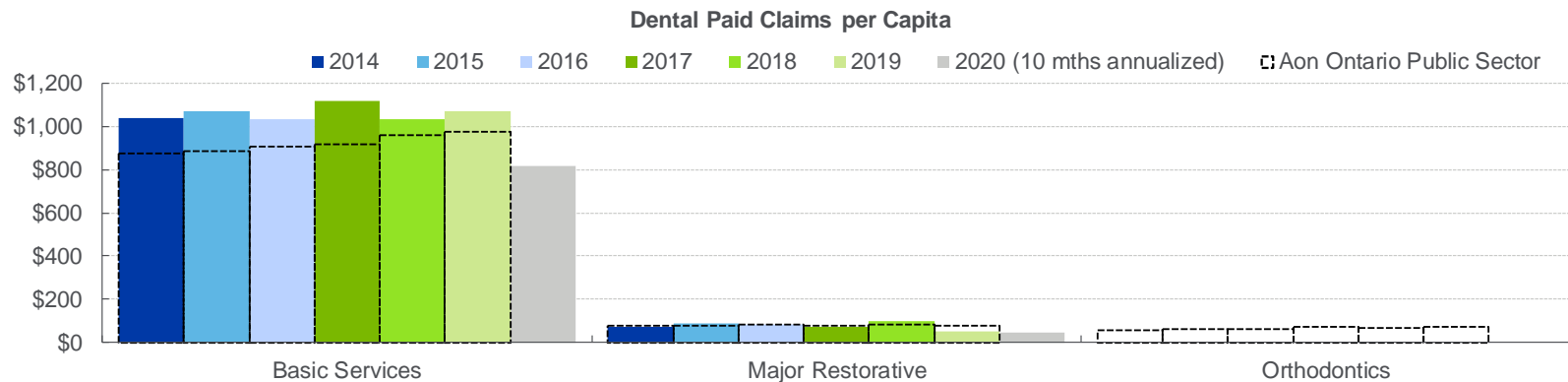
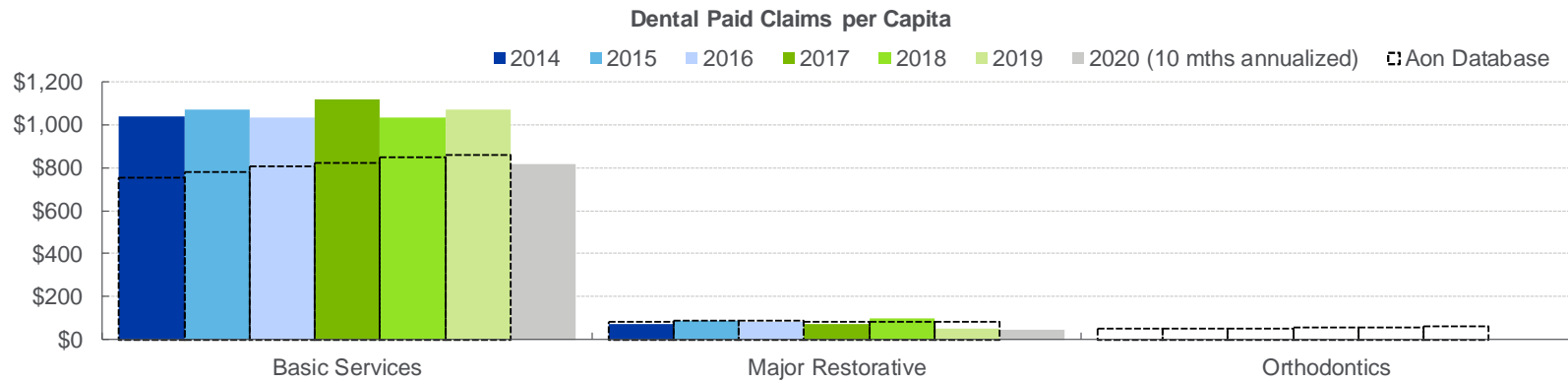
...Renewal of Deposit Rates

▪ Dental Care

- The following chart illustrates the Dental experience for the plan since January 2016
 - The blue and green bars for the **September 2018 – August 2020** period represent the paid claims and expenses respectively as a percentage of the current rate level that are within the experience period
 - The dark grey bars indicate experience outside the review period
 - The dark solid line indicates the actual rates charged, while the dotted line represents the current rate level
 - The orange bar illustrates the required renewal change based on Aon's analysis with full credibility applied to the experience



...Renewal of Deposit Rates

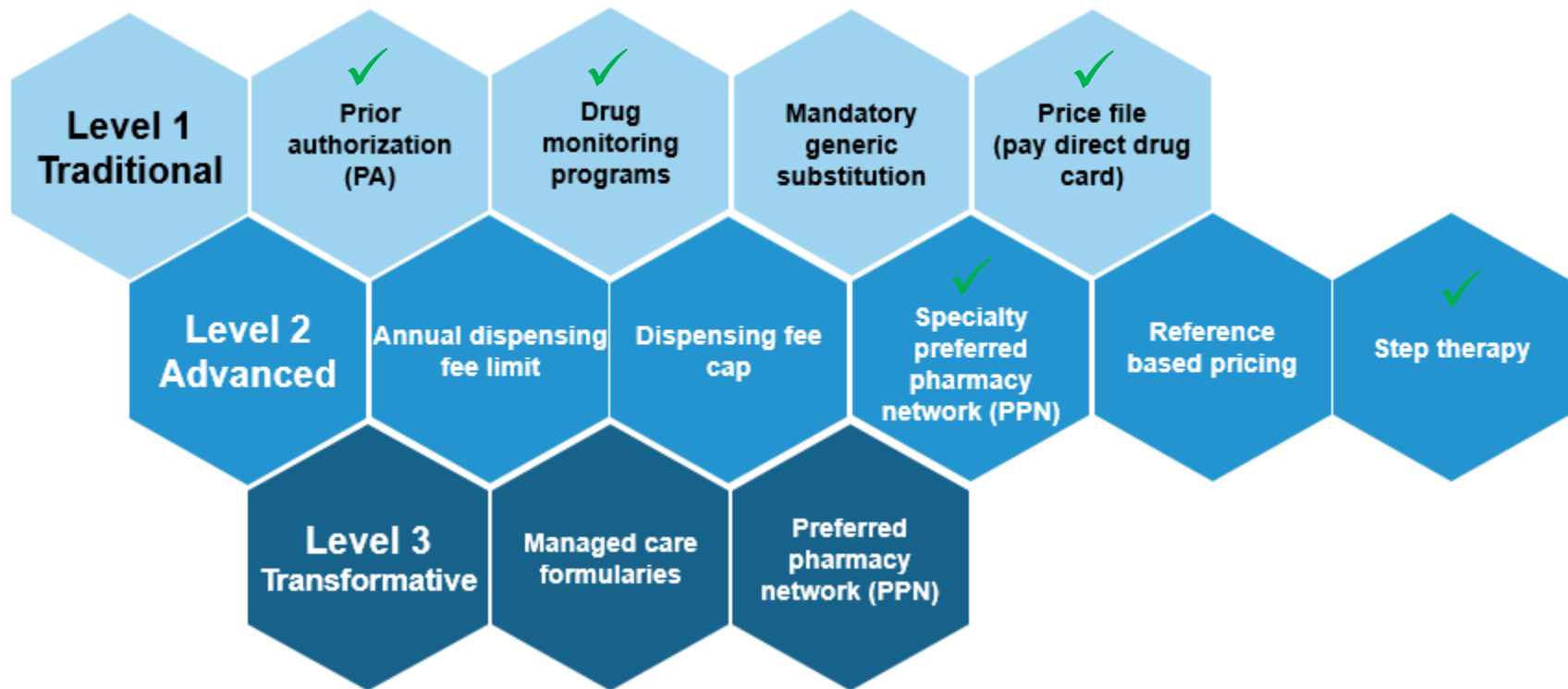


- Active employees only

Canada Life's Drug Solutions Report

- Average amount paid per claimant (figure 1)
 - \$794 in 2019/2020, compared to \$719 in the prior period
 - Canada Life average amount paid per claimant across their block of business in 2020: \$583
- Total amount paid (figure 1)
 - \$483,504 in 2019/2020, compared to \$427,085 in the prior period
- Average Dispensing Fee (figure 2)
 - \$11.13 in 2019/2020, compared to \$10.93 in the prior period
- Brand vs. Generic Total Amount Paid (figure 4, 10)
 - 2019/2020 Generic drugs account for 30.41% compared to 31.65% in the prior period
 - 2019 Generic drugs account for 27.22% of Total Amount Paid for GWL's block of business
- Drug Therapy Class Ranking by Amount Paid (figure 5)
 - Diabetes, Skin Disorders, Depression, Allergies/Respiratory, Rheumatoid Arthritis
- Specialty Drugs (figure 6)
 - Represent 0.65% of the total number of claims, however they represent 15.49% of the amount paid

Drug Plan Management Strategies



Best Practices

Activities	Comments	Best Practice
Vendor Marketing	<ul style="list-style-type: none"> General due diligence or in response to ongoing service deficiency to ensure market competitiveness of insured rates, fees, and services offered 	<ul style="list-style-type: none"> Every 5-7 years
Booklet/Contract Review	<ul style="list-style-type: none"> Review booklets and contracts Review carrier-specific terms and conditions against industry standards 	<ul style="list-style-type: none"> Ongoing due to marketing or plan change resulting from bargaining, legislation, etc.
Competitive Assessment	<ul style="list-style-type: none"> Assess competitiveness of MLHU's benefits plans against its peers Solicit employee feedback / focus group Quarterly experience review Per capita health and dental claims benchmarking 	<ul style="list-style-type: none"> Every 3-5 years Quarterly and ongoing
Claims analysis	<ul style="list-style-type: none"> Review of insurer's claims trend reporting Drug Utilization Review (DUR) – Deep dive analysis of prescription drug cost drivers and cost management opportunities Pooling Simulation 	<ul style="list-style-type: none"> Every 3 - 4 years
Carrier meetings	<ul style="list-style-type: none"> Regular periodic meetings with carriers to review program management, disability activity, pending innovation, etc. Prevention of member/provider fraud 	<ul style="list-style-type: none"> Semi Annually
Continued Education	<ul style="list-style-type: none"> Transparency of benefits value and opportunities to demonstrate MLHU's continued investment in its employees' total rewards offer Wellness and Mental health opportunities Health Pooling analysis 	<ul style="list-style-type: none"> Ongoing
Risk / Rate / Funding Review	<ul style="list-style-type: none"> Benefit rate and expense review Underwriting Arrangements Review Financial Audit 	<ul style="list-style-type: none"> Annual

Recommendations

- We recommend that the MLHU accept the negotiated insured rates and the recommended renewal ASO deposit rates
- MLHU to provide email acceptance of the rates



Appendices

Appendices

- Appendix A – Aon Independent Analysis Process
- Appendix B – Summary of Renewal Rates and Monthly Premium
- Appendix C – Health Care Claims Distribution
- Appendix D – Dental Claims Distribution
- Appendix E – Canada Life Drug Solutions
- Appendix F – Consult+
- Appendix G – Legislative Updates
- Appendix H – Review of Funding Arrangements
- Appendix I – Commission Disclosure

Appendix A – Aon Independent Analysis Process

- Validation of demographics
 - Consistency of demographics with prior year
 - Calculation of average ages and volumes (Life and LTD)
 - Calculation of the impact on rates of the demographic changes
- Validation of data
 - Experience data: premiums and claims
- Validation of calculation items
 - Adjusted premiums
 - Manual rate changes
 - IBNR reserves
 - Pooling charges
 - Credibility factors
- Validation of competitiveness
 - Renewal methodology
 - Expenses/pooling charges
 - Financial arrangements
 - Trend factors
- Negotiation

Appendix B – Renewal Rate Summary

MIDDLESEX-LONDON HEALTH UNIT

Summary of Rates

January 1, 2021

Benefit	Rate Basis	Volume/Lives	CURRENT		GWL PROPOSAL				AON NEGOTIATED			
			Rate	Monthly Premium	Rate	Monthly Premium	Change %	Change \$	Rate	Monthly Premium	Change %	Change \$
LIFE	/ \$1,000	41,366,000	0.220	\$ 9,101	0.220	\$ 9,101	0.0%	\$ -	0.220	\$ 9,101	0.0%	\$ -
AD&D	/ \$1,000	34,969,000	0.030	\$ 1,049	0.030	\$ 1,049	0.0%	\$ -	0.030	\$ 1,049	0.0%	\$ -
LONG TERM DISABILITY	/ \$100	452,955	2.460	\$ 11,143	2.460	\$ 11,143	0.0%	\$ -	2.460	\$ 11,143	0.0%	\$ -
GMA	Single	51	0.50		1.55				1.55			
	Family	239	0.50	\$ 145	1.55	\$ 450	210.0%	\$ 305	1.55	\$ 450	210.0%	\$ 305
MEDICAL												
HEALTH	Single	48	18.90		14.36				18.90			
	Family	245	46.39	\$ 12,273	35.26	\$ 9,328	-24.0%	\$ (2,945)	46.39	\$ 12,273	0.0%	\$ -
VISION	Single	48	4.73		10.60				4.73			
	Family	245	11.60	\$ 3,069	25.98	\$ 6,874	124.0%	\$ 3,805	11.60	\$ 3,069	0.0%	\$ -
DRUG	Single	48	70.89		80.11				70.89			
	Family	245	173.96	\$ 46,023	196.57	\$ 52,005	13.0%	\$ 5,982	173.96	\$ 46,023	0.0%	\$ -
TOTAL MEDICAL	Single	48	94.52		105.07				94.52			
	Family	245	231.95	\$ 61,365	257.81	\$ 68,207	11.1%	\$ 6,842	231.95	\$ 61,365	0.0%	\$ -
DENTAL	Single	48	62.12		67.71				62.12			
	Family	245	124.39	\$ 33,457	135.59	\$ 36,470	9.0%	\$ 3,012	124.39	\$ 33,457	0.0%	\$ -
TOTAL ALL BENEFITS				\$ 116,259		\$ 126,418	8.7%	\$ 10,159		\$ 116,564	0.3%	\$ 305
ANNUAL TOTAL ALL BENEFITS				\$ 1,395,112		\$ 1,517,019	8.7%	\$ 121,907		\$ 1,398,766	0.3%	\$ 3,654

Notes:

GWL's pooling arrangement is \$25,000 per individual (per insured, per spouse and per dependent); 1st dollar Out of Country. The overall out of country maximum is \$1,000,000 per trip, with a maximum per trip duration of 60 days.

Great West Life pool charges are proposed at 15.76% for both active and retiree groups, and negotiated at 14.73% for the groups (no change). The pool charges are included in the Health rates quoted above.

Appendix C – Health Claims Distribution

- See attached reports



GroupNet for Plan Administration

MIDDLESEX - LONDON HEALTH UNIT

Medical/Dental/Vision

Claims Distribution by Service - Summary

Policy(s) 58469
Period Sep 2019 - Aug 2020
Benefit Medical
Division(s) ALL
Class(s) ALL

GWL Claims Normative Category **YEAR** **BASIS** **COVERAGE** **COINSURANCE** **DEDUCTIBLE**
 2019 Region All Coverages All Coinsurance Levels All Deductibles
 All Canada

Service Description	Amount Paid	% of Total	Norm % of Total	Number of Occurrences	% of Total	Norm % of Total	Average Amount Paid
Hospital	\$6,235	1.2%	1.4%	18	0.2%	0.1%	\$346
Ambulance	\$30	0.0%	0.2%	2	0.0%	0.1%	\$15
Drugs	\$429,784	85.3%	64.6%	7,595	79.4%	75.1%	\$57
Paramedical	\$34,431	6.8%	24.3%	1,745	18.2%	22.3%	\$20
Service and Supplies	\$25,480	5.1%	6.6%	165	1.7%	1.9%	\$154
Out of Province	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0
Out of Country	\$7,317	1.5%	2.1%	10	0.1%	0.1%	\$732
Other	\$705	0.1%	0.7%	28	0.3%	0.4%	\$25
Total	\$503,982	100.0%	100.0%	9,563	100.0%	100.0%	\$53

Date created: November 25, 2020



GroupNet for Plan Administration

MIDDLESEX - LONDON HEALTH UNIT

Medical/Dental/Vision

Claims Distribution by Service - Summary

Policy(s) 58469
Period Sep 2019 - Aug 2020
Benefit Vision
Division(s) ALL
Class(s) ALL

GWL Claims Normative Category YEAR BASIS COVERAGE
 2019 Region All Coverages
 All Canada

Service Description	Amount Paid	% of Total	Norm % of Total	Number of Occurrences	% of Total	Norm % of Total	Average Amount Paid
Eye Exams	\$12,445	16.1%	19.8%	162	36.1%	34.3%	\$77
Lenses & Frames	\$60,008	77.5%	77.4%	263	58.6%	63.0%	\$228
Visual Therapy	\$0	0.0%	0.1%	0	0.0%	0.2%	\$0
Other	\$4,938	6.4%	2.8%	24	5.3%	2.5%	\$206
Total	\$77,391	100.0%	100.0%	449	100.0%	100.0%	\$172

Date created: November 25, 2020

Appendix D – Dental Claims Distribution

- See attached reports



GroupNet for Plan Administration

MIDDLESEX - LONDON HEALTH UNIT

Medical/Dental/Vision

Claims Distribution by Service - Summary

Policy(s) 58469
Period Sep 2019 - Aug 2020
Benefit Dental
Division(s) ALL
Class(s) ALL

GWL Claims Normative Category **YEAR** **BASIS** **COVERAGE** **COINSURANCE** **DEDUCTIBLE**
 2019 Region All Coverages All Coinsurance Levels All Deductibles
 All Canada

Service Description	Amount Paid	% of Total	Norm % of Total	Number of Occurrences	% of Total	Norm % of Total	Average Amount Paid
Diagnostic	\$42,618	16.0%	14.3%	1,138	31.4%	28.6%	\$37
Preventative	\$27,804	10.5%	10.5%	1,150	31.7%	31.1%	\$24
Minor Restorative	\$65,996	24.8%	25.4%	380	10.5%	12.1%	\$174
Endodontic	\$7,110	2.7%	3.9%	22	0.6%	0.7%	\$323
Periodontic	\$81,947	30.8%	24.2%	698	19.2%	17.0%	\$117
Oral Surgery	\$23,156	8.7%	5.5%	85	2.3%	2.5%	\$272
Major Restorative	\$6,243	2.3%	5.9%	62	1.7%	2.7%	\$101
Dentures,Bridges	\$5,436	2.0%	3.5%	19	0.5%	1.3%	\$286
Orthodontic	\$0	0.0%	5.5%	32	0.9%	2.8%	\$0
Other	\$5,560	2.1%	1.3%	42	1.2%	1.1%	\$132
Total	\$265,869	100.0%	100.0%	3,628	100.0%	100.0%	\$73

Date created: November 25, 2020

Appendix E – Canada Life Drug Solutions

- See attached reports



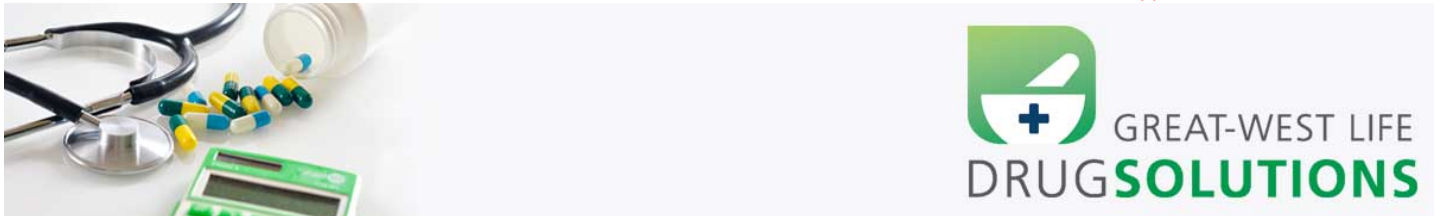
Drug Plan Performance Report

MIDDLESEX - LONDON HEALTH UNIT

POLICY 58469

DIVISION(S) ALL

CLASS(S) ALL

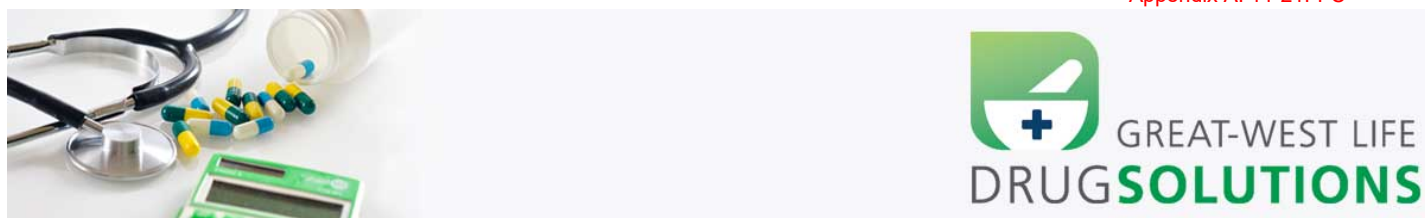


In today's rapidly changing prescription drug environment, keeping track of claims and plan costs is essential to making informed decisions. The goals for this report are to summarize how your plan is operating today, help you to identify plan management opportunities and support your ability to better position your prescription drug benefit plan for long-term sustainability.

Claims Summary

Figure 1: Claims Experience

	Sep 2019-Aug 2020			Sep 2018-Aug 2019			Sep 2017-Aug 2018		
	Employee	Dependent	Total	Employee	Dependent	Total	Employee	Dependent	Total
Number making claims	237	304	541	249	273	522	254	285	539
Total claims	3,910	3,137	7,047	3,515	2,422	5,937	3,382	2,053	5,435
Total amount submitted	\$253,744	\$244,590	\$498,334	\$239,433	\$200,650	\$440,083	\$247,792	\$176,166	\$423,958
Total amount covered	\$246,612	\$236,892	\$483,504	\$231,799	\$195,286	\$427,085	\$237,314	\$169,270	\$406,584
Total amount paid	\$243,920	\$185,598	\$429,518	\$229,773	\$145,352	\$375,124	\$236,519	\$123,618	\$360,137
Average number of claims per claimant	16.50	10.32	13.03	14.12	8.87	11.37	13.31	7.20	10.08
Average amount paid per claimant	\$1,029.20	\$610.52	\$793.93	\$922.78	\$532.42	\$718.63	\$931.18	\$433.75	\$668.16



Great-West average number of claims per claimant	Great-West average amount paid per claimant
12	\$582.60

Figure 1 shows your plan's claims exposure by the number of claimants. It also indicates the total number of claims paid and the amounts that were submitted, the claim amounts that were actually eligible or "covered", and the amounts paid based on your plan provisions. It also shows the average number of claims and average amount paid per claimant and the Great-West averages for comparison.

Prescription drug pricing can be broken down into dispense fee and ingredient cost. A dispense fee is the pharmacy's per-prescription charge beyond the ingredient cost. The increase in average ingredient cost stems from both fixed-basket inflation (pure price inflation) and weighting towards more costly drugs. If more weight is placed on more expensive drug therapies, the average ingredient cost will rise.

The final retail price of a prescription is based on three components:

- **The ingredient/manufacture's price:** the cost of the actual medicine plus any fees for the cost of distribution. This cost has been the focus of drug reform in each province, where initiated.
- **Pharmacy mark-up:** varies by pharmacy and by province. Pharmacy mark-up is not regulated provincially for private third-party payers. However, our pharmacy benefit manager (PBM), TELUS, limits the amount paid for mark-up to an amount considered to be reasonable and customary.
- **Dispense fees:** represent the cost of dispensing the prescription. Dispense fees vary by province, pharmacy and location. Dispense fees are not generally regulated provincially for third-party payers such as insurance companies.

Figure 2: Claim Cost Breakdown

	Sep 2019-Aug 2020	Sep 2018-Aug 2019	Sep 2017-Aug 2018
Average covered claim cost	\$68.60	\$71.92	\$74.79
Average covered ingredient cost	\$57.46	\$60.99	\$63.91
Average covered dispense fee*	\$11.13	\$10.93	\$10.88

** As a result of differences in adjudication methods in each province, dispense fees may not be truly reflective of the cost of dispensing the prescription, therefore affecting the average.*

Keeping track of the average claim amount can give you a better sense of how much drug claims cost and how that amount may have changed over the years. The average dispense fee (Figure 2) is another helpful indicator of your plan members' claim behavior as it helps you track how much a plan member is paying on average for pharmacy services. Dispense fees typically range between just under \$5 and up to \$12, depending on the region, so keeping track of what your plan is paying tells you where you stand. A flat dispense fee is charged every time a prescription is filled whether it be for a 30- or 90-day supply. Total claim amounts can be significantly reduced if plan members fill larger supplies.



Claims Activity

MIDDLESEX - LONDON HEALTH UNIT
POLICY 58469
DIVISION(S) ALL
CLASS(S) ALL

As indicated in your Claims Summary, the total number of claims submitted and the amounts actually paid have changed over the years. Some of the contributing factors to this trend include:

- **Aging:** how and why drug costs differ according to the age of a plan member and the impact of an aging population.
- **Utilization:** different patterns of utilization that may change by geographic location or drug plan type.
- **Cost:** examining specific cost elements such as ingredient pricing and dispense fees.

Figure 3 shows the number of claimants and claim amounts paid by age group. Understanding these claimant demographics is important and can help you to prepare for future claim activity.

Figure 3: Claim Statistics by Age from Sep 2019 to Aug 2020

Age	Number of claimants	Percent of total	Great-West annual percent of total	Amount paid	Percent of total	Great-West annual percent of total
< 40	260	46.35%	44.97%	\$136,708	31.83%	26.30%
40-60	209	37.25%	37.81%	\$204,905	47.71%	47.92%
> 60	92	16.40%	17.21%	\$87,905	20.47%	25.78%

Typically, average annual eligible drug claims per claimant can vary by age. Figure 3 shows the percentage of total claims by age span for your policy vs. the Great-West block of business. The annual prescription drug expenses of someone over age 60 are often considerably higher than those of someone under age 40.

Aging also impacts utilization. As people age, they typically submit more prescription drug claims. Employees under age 40 submit claims for about nine prescriptions per year (including dependant claims), while employees over age 60 submit about 40 prescriptions per year.

Other influences on the average ingredient cost are brand name vs. generic distribution and therapeutic class distribution. Generic drugs are less expensive alternatives to brand name drugs. All generic drugs sold in Canada have the same active chemical ingredient, dosage strength and dosage form as their brand name counterparts. A valuable cost control feature for benefit plans is commonly known as generic substitution, which limits the reimbursement of a prescription to the cost of the lower-priced generic alternative. Many drugs are available in both generic and brand name forms.

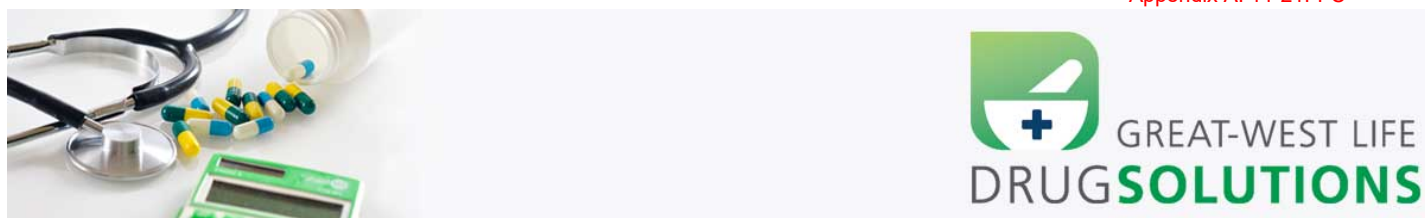


Figure 4 provides a breakdown of brand and generic drugs claimed under your policy. Monitoring this mix will help you track how well your plan is leveraging the availability of lower cost generic medications.

Figure 4: Brand vs. Generic Drug Claims

	Sep 2019 - Aug 2020		Sep 2018 - Aug 2019		Sep 2017 - Aug 2018	
	Brand	Generic	Brand	Generic	Brand	Generic
Number of claims	2,322	4,725	2,056	3,881	1,990	3,445
Percent of total	32.95%	67.05%	34.63%	65.37%	36.61%	63.39%
Amount paid	\$298,918	\$130,600	\$256,412	\$118,713	\$252,056	\$108,081
Percent of total	69.59%	30.41%	68.35%	31.65%	69.99%	30.01%
	2019		2018		2017	
	Brand	Generic	Brand	Generic	Brand	Generic
Great-West percent of total number of claims	32.23%	67.77%	33.23%	66.77%	33.12%	66.88%
Great-West percent of total amount paid	72.78%	27.22%	72.25%	27.75%	71.04%	28.96%

Another option for managing drug costs is known as therapeutic substitution, which limits the reimbursement of a prescribed drug with an alternative drug that has an equivalent therapeutic effect. The alternative drug may be within the same class or from another class with therapeutic equivalence. The medications work the same, with similar efficacy, but there is a difference in cost. These therapeutic alternatives have a different medicinal ingredient, but work in the same way. If the goal of your benefits plan is to support the best possible health outcomes without incurring unnecessary costs, it may make sense to limit reimbursement under your plan to the lower cost therapeutic equivalent drug.

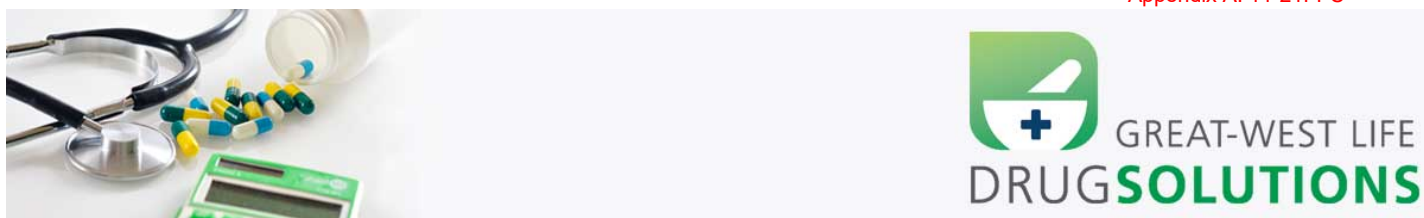


Figure 5 shows the top therapeutic classifications for your plan and how that compares to the Great-West block of business.

Figure 5: Top Therapeutic Classifications from Jan 2019 to Dec 2019

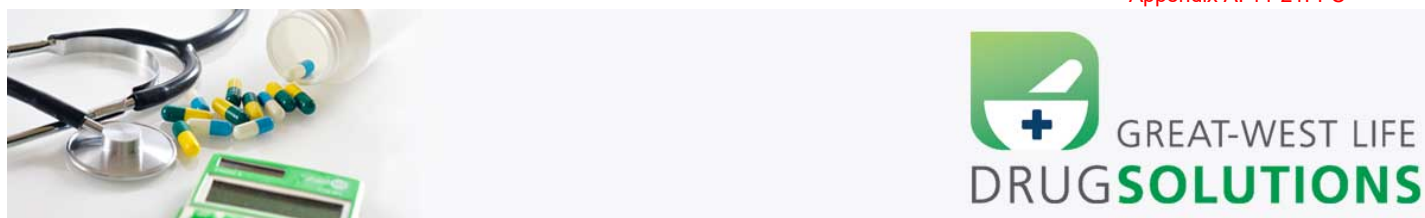
Therapeutic Class	Amount paid	Percent of total	Great-West percent of total
Diabetes Treatments and Supplies	\$65,838	16.69%	8.65%
Skin Disorders/Acne	\$44,349	11.24%	4.61%
Depression	\$28,530	7.23%	4.95%
Allergies/Respiratory Diseases	\$28,217	7.15%	0.59%
Rheumatoid Arthritis	\$22,575	5.72%	10.81%

Understanding your top therapeutic classifications provides perspective on where your costs are coming from. In some cases, the conditions are manageable or preventable, but in others it's more a matter of ensuring patients are getting the treatment they need and achieving the best possible health outcomes.

Drug types

Not all medications are created equal, and each can play a different role in patient therapy. The three most common groups of medications are:

- **Acute medication:** the expectation is that the patient will only need the treatment for a specific period of time as they recover from a particular condition, such as an infection or allergic reaction.
- **Maintenance medication:** designed to treat a chronic condition that may last a long time. Medications that treat high blood pressure or cholesterol are common examples.
- **Specialty medication:** an increasingly more widespread type of medication that is more complex and expensive to administer and distribute. These medications are generally used to treat a specific disease state that may be genetic, complex or rare. Some specialty medications treat conditions for which there is no other treatment and have costs that can reach as high as \$600,000 per year.



Understanding how your claims are distributed among these categories can help you take specific action with management. Figure 6 shows how your claims are distributed compared to the Great-West Life block of business.

Figure 6: Claims – Your Policy vs. Great-West Totals from Sep 2019 to Aug 2020

	Acute	Maintenance	Specialty	Unclassified
Number of claims	1,768	4,768	46	465
Percent of total	25.09%	67.66%	0.65%	6.60%
Amount paid	\$79,663	\$265,974	\$66,519	\$17,362
Percent of total	18.55%	61.92%	15.49%	4.04%
2019	Acute	Maintenance	Specialty	Unclassified
Great-West annual percent of total number of claims	25.95%	70.21%	0.88%	2.96%
Great-West annual percent of total amount paid	15.63%	50.19%	31.42%	2.77%

Acute medications are more common in younger demographics to treat short-term conditions. Maintenance medications are often seen in an older workforce for chronic conditions, disease management or health promotion. Specialty medications are used for moderate to severe forms of chronic conditions and potentially debilitating diseases. Drugs that appear in the Unclassified column of Figure 6 are any drug that is either not covered under the acute, maintenance, specialty formulary or has not yet been classified on our system as acute, maintenance or specialty.



Plan Design

MIDDLESEX - LONDON HEALTH UNIT

Policy 58469

Division(s) ALL

Class(s) ALL

Before any consideration can be given to potential plan design changes that can help you better manage your plan, it is important to understand your current plan design.

Figure 7 provides a high level summary of your plan and a comparison to the most common design features across the Great-West Life block of business.

Figure 7: Overview of Your Plan Details

	Your policy	Great-West Life block	
Coinsurance	100%	48% have an 80% coinsurance, 38% have a 100% coinsurance	
Generic substitution	N	94% yes	
Dispense fee limit	N	10% have a disp. fee	\$7 is most common
Per prescription deductible	N	13% have a per prescription deductible	\$5 is most common

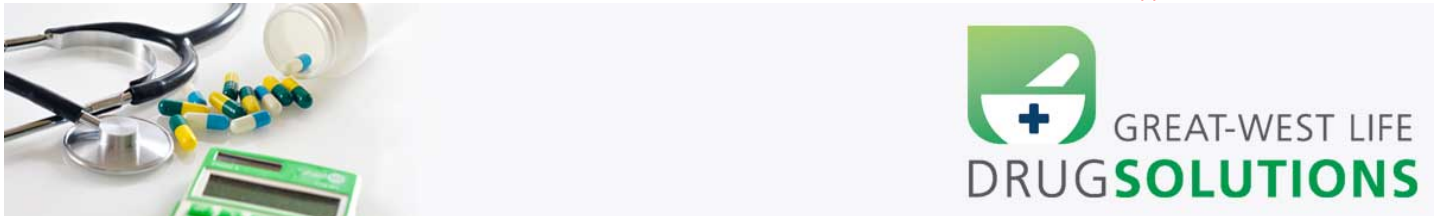
When employers originally began offering benefit plans, the focus was to protect their staff from the possible financial impact of catastrophic claims. A typical healthcare plan included a \$25 individual and a \$50 family deductible. Deductibles were a means to establish cost sharing with plan members and to discourage minor claims from being submitted.

Over the years, healthcare costs have increased significantly while deductible amounts haven't changed. For example, in the last 10 years only about five per cent of Great-West plan sponsors have increased their plan deductibles.

With healthcare costs quickly reaching more than \$2,200 annually per plan member, a \$25 deductible today represents only about one per cent of total costs.

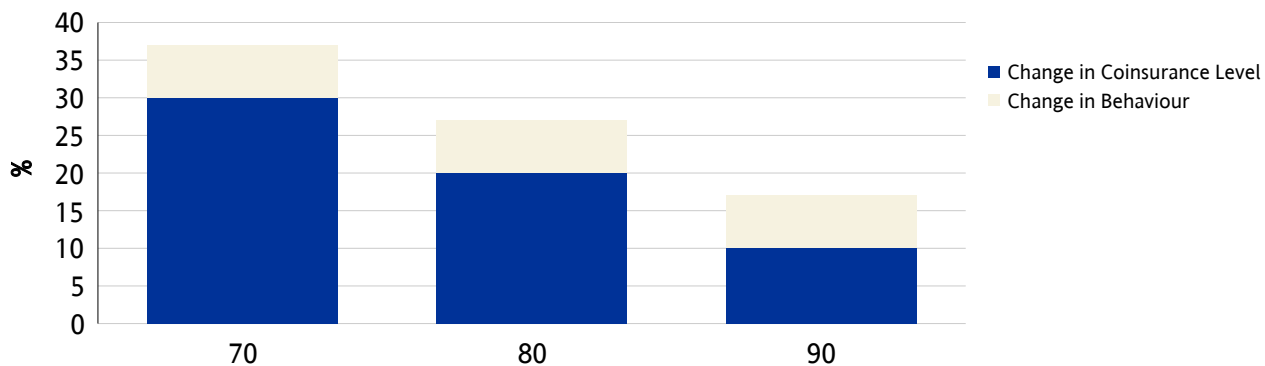
DrugSolutions

DrugSolutions is about helping ensure the sustainability and cost effectiveness of drug plans in the ever-changing pharmaceutical landscape. When plan members are out-of-pocket for even a small portion of a claim, they have an incentive to explore their choices, which can help control plan costs. Several plan design options are available, including:



Coinsurance - Reimbursing a claim at less than 100 per cent encourages a shift in plan member behavior to encourage consumerism. This is helpful in managing the cost of ongoing maintenance medications. A change in coinsurance from 100 to 80 per cent, for example, can result in as much as a 27 per cent savings to the plan – 20 per cent of that coming from the drop in the percentage reimbursed. More importantly, there is an additional 7 per cent reduction as a result of a change in plan member behaviour from the extra out-of-pocket expense. See Figure 8.

Figure 8: Coinsurance Savings

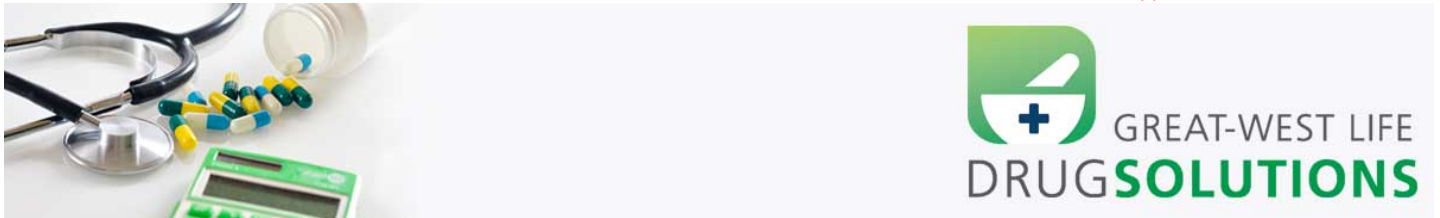


Deductibles - Increasing the deductible amount to keep pace with healthcare inflation ensures plan members pay their share of costs, as was set up at plan inception. Consider that 20 years ago, a deductible of \$25 has an inflation-adjusted value of approximately \$200 today.

Dispense fee cap - This plan feature directs plan members to pharmacies that offer a lower dispense fee. Plan member choice is not compromised and higher-service pharmacies are still available, but with an increased out-of-pocket expense to the plan member. Plans that incorporate an \$9 dispense fee cap can expect to save approximately 3 per cent of drug costs. The percentage of pharmacies across the country that have a dispense fee of less than \$9 are as follows: Ontario – 18 per cent, British Columbia - 9 per cent, Manitoba – 3 per cent, Alberta – 2 per cent, all other provinces excluding Quebec – 14 per cent.

Per-prescription deductible - Ensures plan members pay for a portion of each drug that is dispensed. This may encourage plan members who take a maintenance medication to request a larger quantity of the medication to reduce additional deductibles. For example, plans that implement a \$5 per prescription deductible can expect to save approximately 7 per cent of drug costs. Alternatively, if implementation of a per prescription deductible was equal to the dispense fee, the plan member would be responsible for the entire dispense fee, resulting in a drug cost savings of approximately 13 per cent.

Enhanced Generic Substitution - When a claim for a brand name drug is submitted, reimbursement will be based on the cost of the generic drug (if that cost is lower). With Great-West's Enhanced Generic Substitution, coverage will be based on the cost of the lower-priced interchangeable drug with the same medicinal ingredients, unless a plan member provides medical evidence that a prescribed drug cannot be substituted.



Pharmacy Network Value Plan - Another opportunity for claims management is to consider Great-West's Pharmacy Network Value Plan. This plan provides a lower cost option by encouraging claimants to fill their prescription at a pharmacy with lower dispense fees and ingredient cost mark-ups such as Costco Wholesale. This unique drug plan combines best-in-class retail, lower prices and high-quality benefits. Additional benefits include health clinics and pharmacy counselling services that educates plan members and can better engage them to actively manage their health.

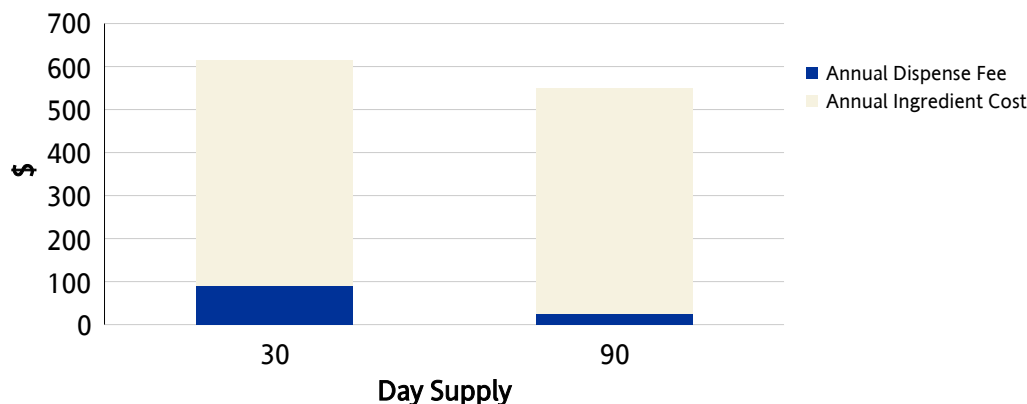
Consumer knowledge and education - Implementing plan designs that more effectively engage plan members can't be done without educating them. Plan members should be informed of the structure and goals of the plan design – which is not to shift cost to plan members, but rather to better manage the factors that affect the cost. Examples of consumer education can be as simple as providing information on a poster to make them aware of:

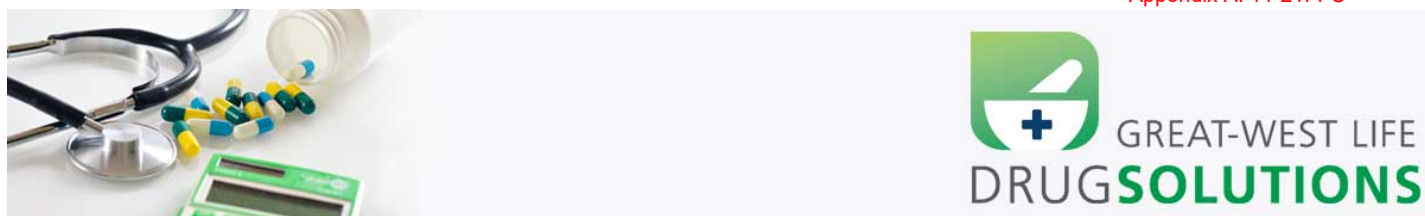
- the variation of prices at different pharmacies,
- the value of generic/interchangeable medication and difference in cost, and
- the importance of speaking with a doctor about options among therapeutically equivalent medications.

Other significant considerations to communicate include the advantage of getting a 90-day supply of their maintenance medication rather than three 30-day supplies. The upside to the plan is that there would be less overall reimbursement of dispense fee costs over the year for that claimant.

Figure 9 shows the typical savings in annual drug costs from going from a 30-day supply of cholesterol medication, Crestor, to a 90-day supply.

Figure 9: Potential Savings from Purchasing Habits





Claims Adjudication

Claims adjudication is an important cost management feature of your Great-West drug benefits plan. Keeping track of how many claims and the amounts saved because of your generic substitution provision and dispense fee limit (where applicable) can help you demonstrate the value of these features, among others. See Figure 10.

Figure 10: Plan Feature Savings

	Sep 2019-Aug 2020		Sep 2018-Aug 2019		Sep 2017-Aug 2018	
	Claims	Impact	Claims	Impact	Claims	Impact
Generic substitution	0	\$0	0	\$0	0	\$0
Dispense fee limit	1,019	\$875	939	\$738	887	\$910

Brand where a generic is available	
Number of claims	Amount paid
513	\$43,326

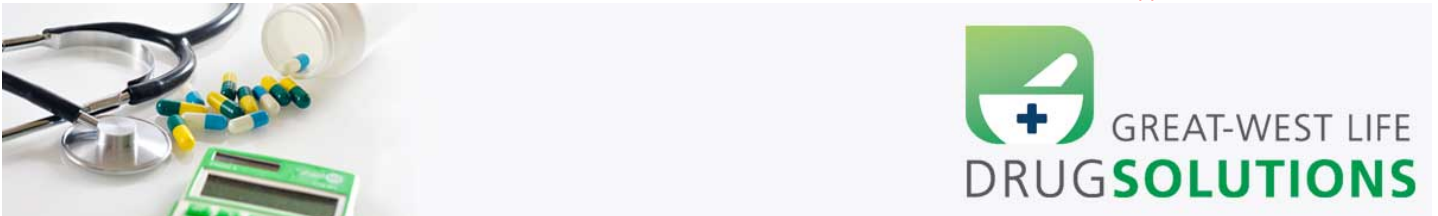
Prescription drug costs in Canada have been steadily rising, with the private sector picking up an ever-increasing share of the cost. Employers have typically been covering a larger portion of these cost increases, so keeping track of how much your plan members are paying out of their own pockets can give you a better understanding of how you are sharing in these expenses. Figure 11 shows how often plan members have had to pay small, medium and larger amounts out of their own pocket. You can also track the average and see the largest out-of-pocket amount for a single claim within the year.

Figure 11: Out-of-pocket Costs

	Sep 2019-Aug 2020		Sep 2018-Aug 2019		Sep 2017-Aug 2018	
	Claims	Impact	Claims	Impact	Claims	Impact
< 10	6,153	\$6,899	5,211	\$6,582	4,567	\$6,004
10-100	774	\$21,144	619	\$16,638	763	\$20,039
> 100	120	\$28,578	107	\$22,888	105	\$20,792
Average out-of-pocket per claim	\$8.03		\$7.77		\$8.62	
Maximum out-of-pocket per claim*	\$947.67		\$548.09		\$751.08	

* Includes employee out-of-pocket amounts and reductions due to benefit coordination with spouse or government plans.

There are a number of situations that would require plan members to pay a portion of their claim out of pocket. The most common provisions are the plan's coinsurance and/or deductible. It's important to consider that higher out-of-pocket costs can lead to lower levels of adherence with a medication regime, which can also negatively affect patient health outcomes.



In Review

The information compiled and included within this document is designed to provide some comparisons and statistics on your own business to help you manage and sustain your benefits plan.

Great-West is committed to working with you and providing innovative prescription drug and health benefit solutions to help meet your needs now and in the future. Our guiding principle is to support the best possible health outcomes for plan members while helping you avoid unnecessary costs under your benefits plan. We are focusing on four key areas of prescription drug management solutions:

Product development

We have introduced new contract provisions to enhance and update benefits plans with improved efficiencies and cost containment, such as *Enhanced Generic Substitution*, and to support valuable healthcare services, such as *Health Case Management*, and efficient access to coverage for specialty medications.

We are continuing to design product options that provide simple plan design alternatives that effectively manage cost and help you align your plan design with your benefits philosophy.

Cost management

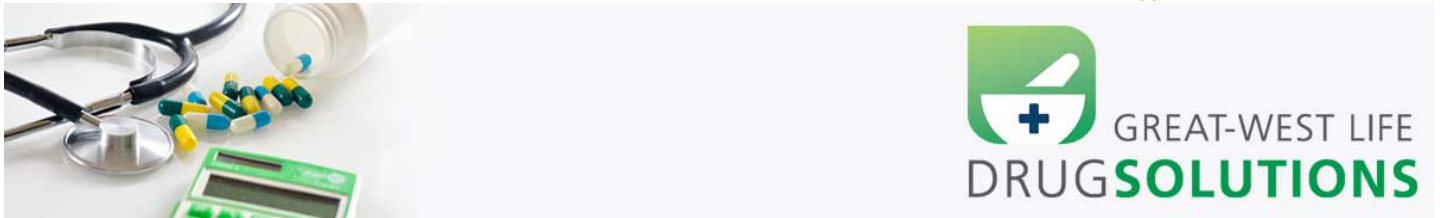
We are working with pharmacists and pharmacy service providers to help establish more efficient processes that help reduce costs, while improving or maintaining patient coverage and health outcomes.

Health Case Management

Programs such as *Prior Authorization* for specialty medications provide the opportunity to help ensure that coverage is provided for the treatment most appropriate for the patient and his or her condition. Adding *Health Case Management* services helps to facilitate the process of identifying the most appropriate treatment and considering alternative treatments. Health outcomes are more closely monitored to help ensure the most appropriate treatment is underway and to avoid unnecessarily continuing treatment that is not providing the desired health outcomes.

For specialty medications that require Health Case Management, a health case manager is assigned to work with the claimant and his or her physician to understand the treatment plan and monitor the effectiveness of the treatment. The health case manager also provides information, conducts regular follow-up calls and uses or recommends support resources to help manage medication adherence and effectiveness.

By monitoring and managing a plan member's treatment plan, better health outcomes may be achieved without incurring unnecessary benefits plan costs.



Education and engagement

Some people may question whether coverage for specialty drugs is sustainable into the future. Engaging plan members to embrace cost-effective alternatives is an important step to successfully meeting this challenge.

Great-West is committed to developing and delivering a wide variety of educational materials about prescription drug management challenges and solutions. Raising awareness and educating plan members about treatment alternatives that maintain positive health outcomes is key to ensuring value, maximizing effectiveness and improving the sustainability of drug plans.

Look to Great-West as the innovation leader for your drug benefits solutions.

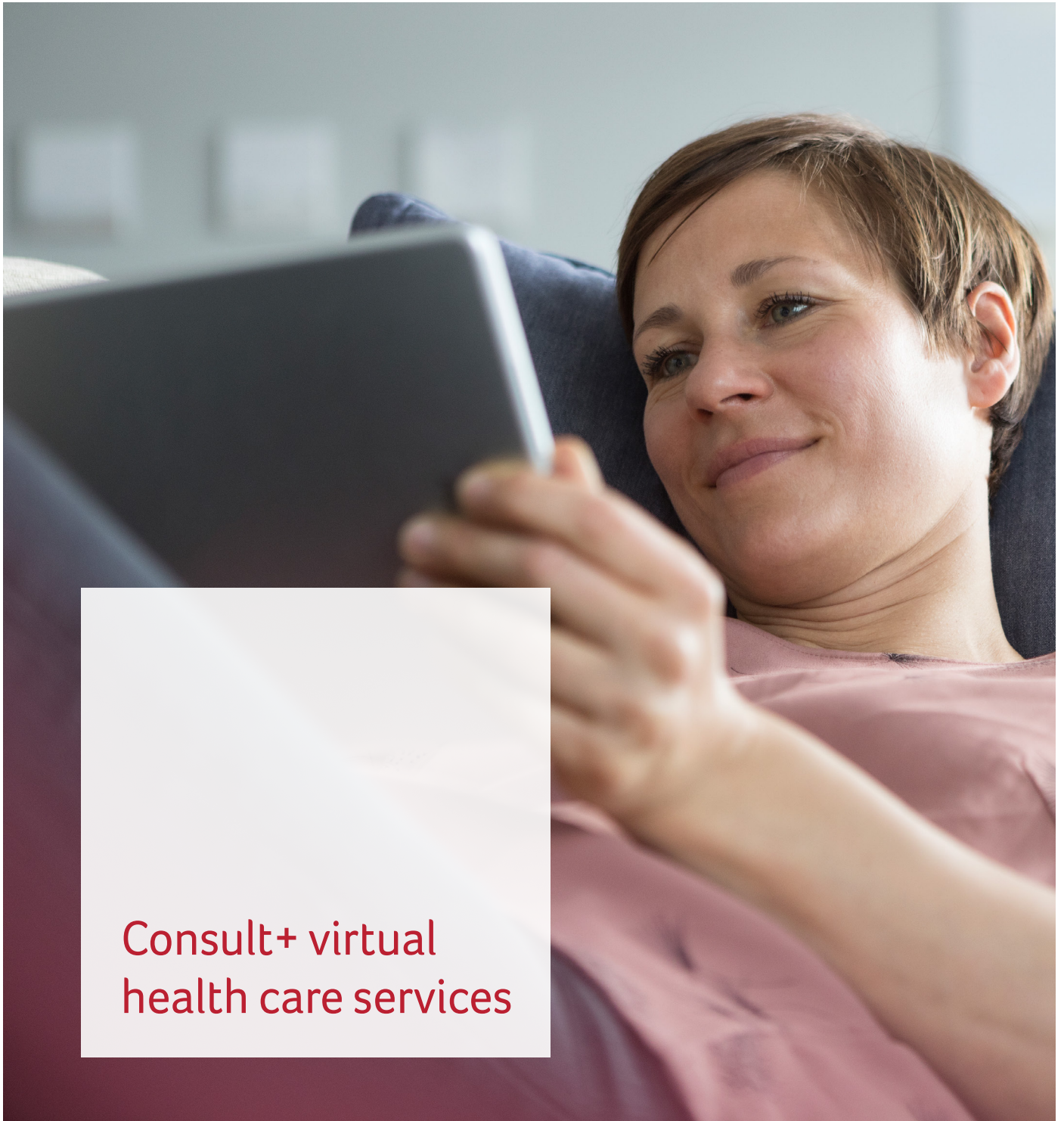


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Appendix F – Consult+

- See attached



Consult+ virtual
health care services

All about Consult+

Answers to your questions

What's Consult+?

It's health care you can access through an app or online. It lets you talk to doctors, nurses or other health care professionals for non-urgent medical care. You can use it anywhere you're comfortable talking through phone call, video or chat. You get Consult+ as part of your group benefits plan through Canada Life.

Consult+ is provided through Canada Life's third-party agreement with Dialogue. So, the health care professionals are part of Dialogue's team, not Canada Life.

How do I access Consult+?

Go to canadalife.com and sign in to GroupNet™ for plan members as a customer. If you're new to GroupNet, select the Start registration button to create your account.

Once you've signed in to GroupNet, go to Coverages & balances, select Health, scroll down to Other coverage and you'll see a link to Consult+. You can download the Consult+ app to your phone or tablet. Or use your web browser on your desktop to access the Consult+ website.

You'll need to create a Consult+ account. This is easy, just follow the instructions. You'll need your plan number and member ID, so have this information handy!

Where do I find my plan number and member ID?

You can find both on your Canada Life benefits card.* If you don't have your benefits card handy, you can find it on GroupNet under Forms & benefit cards.

*If there was a plan number in your onboarding email, use this number.

What can I use Consult+ for?

You can use it to:

- Talk to health care professionals
- Get prescriptions or refills
- Get referrals for lab work, when medically indicated
- Ask questions about your children's health
- Find health services such as psychologists, dietitians, and work and life coaches*
- See your account history (e.g., chats, prescriptions, care plans)

*Extra costs may apply.

What languages can I talk to someone in?

You can interact with Consult+ health care professionals in English and French.

Where can I use Consult+?

You can use it anywhere in Canada.

When can I use Consult+?

You can use it 24/7.

Who can use Consult+?

- You, if you're enrolled in your group plan's health care benefits
- Your dependants, if you have them under your Canada Life group benefits plan

How do I add my dependants?

Only you, the primary user, can add family members. Here's how you do it:

1. Click on Profile on the app or the dropdown button beside your name on the website
2. Choose Family
3. Provide their information:
 - a. For anyone 14 and older – select Add adult and submit their email address. They'll get an email invite on how to set up their Consult+ account.
 - b. For children younger than 14 – select Add child and fill out their account information. They'll be under your personal account.

What can Consult+ evaluate or treat?

Here are some examples of what's covered:

- Sore throat, sinusitis, rhinitis
- Eye stye, pink eye
- Asymptomatic sexually transmitted infection screening
- Uncomplicated urinary tract infections in adult women, vaginitis
- Allergies, colds, flu and nasal congestion
- Minor skin infections and inflammation, minor cuts or bites, nevus, rashes

What isn't covered?

Consult+ is for non-urgent medical care only. The Consult+ team only treats problems they can safely evaluate through chat, video or phone calls. If you need urgent medical care, you should call 911 or go to the emergency room.

Can I see a Consult+ doctor if I already have a family doctor?

Yes, you can! Just ask and Consult+ will send a record of your check-up to your family doctor.

What about my personal information?

Consult+ is provided through Canada Life's third-party agreement with Dialogue. When you use services through the app or website, you must accept Dialogue's terms, conditions and privacy policies.

Your personal information is confidential. For more information on use and disclosure guidelines, see [Dialogue's privacy policy](#).

How much does it cost?

You get Consult+ through your group benefits plan and interacting with health care professionals is free. There may be extra fees to see specialists (nutrition, mental health, life coaching, etc.). You can pay through the app and you may be able to claim these fees through your group benefits plan.

How does Consult+ fill my prescriptions?

Consult+ can send prescriptions to your pharmacy electronically and arrange delivery. Delivery charges may apply.

Does Consult+ cover my prescriptions?

Consult+ doesn't pay for your prescriptions. You may be able to claim the cost through your group benefits plan. It's like getting your prescription at the pharmacy yourself.



What if I need help using Consult+?

Have questions? Sign in to [GroupNet for plan members](#) and email us through the Contact us section.

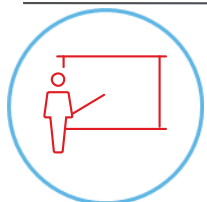
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Appendix G – Recent Legislative Changes

- See attached



COVID-19: Temporary Modifications to the Employment Insurance Program and New Canada Recovery Benefits

Temporary modifications to the Employment Insurance Program were introduced to address the continued impact of the pandemic on the workforce and economic recovery, along with three new income replacement benefits administered by the Canada Revenue Agency. These measures will be in place between September 27, 2020 and September 25, 2021.

Employment Insurance Benefits

**Employer and employee contribution rates will be frozen at 2020 levels for the next two years.*

Regular Benefits (Job loss)

- 120 insured hours to qualify (instead of 420-700 hours)
- Minimum 26 weeks of benefits regardless of regional unemployment rate
- Minimum benefit of \$500 per week before taxes

Sickness Benefits (Illness, injury or quarantine)

- 120 insured hours to qualify (instead of 600 hours)
- Up to 15 weeks of sickness benefits
- Minimum benefit of \$500 per week before taxes
- Medical certificate is not required and waiting period waived

New Canada Recovery Benefits (replacing Canada Economic Recovery Benefit (CERB))

Canada Recovery Benefit (CRB)

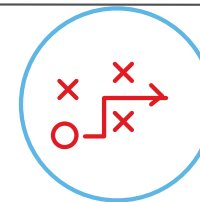
- For workers who are not eligible for EI
- 26 weeks of benefits
- \$500 per week before taxes (10% is withheld at source - \$450 payment)
- Claimants need to repay \$0.50 for each dollar of their annual net income above \$38,000 up to a maximum of the amount of benefit they received

Canada Recovery Sickness Benefit (CRSB)

- For workers who are **unable to work** (min 50% reduction) **because they are sick or must self-isolate due to COVID-19, or have an underlying condition that puts them at greater risk for Covid-19**
- 2 weeks of benefits (maximum), not necessarily consecutive
- \$500 per week before taxes (10% is withheld at source - \$450 payment)
- No medical certificate required

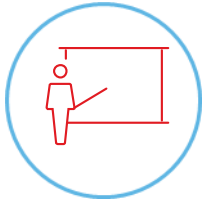
Canada Recovery Caregiving Benefit (CRCB)

- For workers who are **unable to work** (min 50% reduction) **because they need to provide care to children (under 12) or other family members who need supervised care**
- Up to 26 weeks, not necessarily consecutive, per household
- \$500 per week before taxes (10% is withheld at source - \$450 payment)



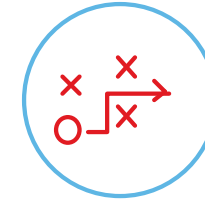
Impact

- The CRSB is intended for use among workers who do not have access to private disability benefits. However, for those with access to private plans, there may be interplay between insured and government sickness benefits.
- Many insurers have returned to their normal disability practices and may require claimants to apply for any available government benefit during the elimination period.
- It is very important to be aware of unique definitions of disability and understand the administrative practices that will be applied when a COVID-related disability claim is made.
- For other “recovery benefits”, there may or may not be complimentary employment standards job-protections.



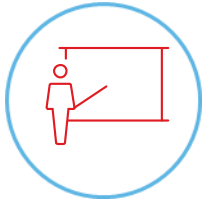
Genetic Non-Discrimination Act

- On **July 10, 2020**, the Supreme Court of Canada (SCC) ruled that Parliament's passing of the Genetic Non-discrimination Act (GNA) in 2017 is a valid exercise of its federal criminal law powers. The GNA has been in effect since May 4, 2017 but has been the subject of ongoing constitutional challenges that have concluded based on the SCC decision.
- The GNA:
 - Makes it a criminal offence for providers of goods and services, including insurance carriers, to request or require that a person undergo a genetic test or disclose the results of a previous genetic test as a condition for receiving goods or services
 - Makes exceptions for health care practitioners and researchers using genetic test information.
 - Amended the Canada Labour Code such that federally regulated employers cannot use a person's genetic test results in decisions about hiring, firing, job assignments, or promotions.
 - Amended the Canadian Human Rights Act to ban discrimination based on genetic characteristics.
 - Upholds an individual's right to have control over access to their highly personal genetic test results.
 - Protects individuals from genetic discrimination based on inherited and unchangeable characteristics.
 - Responds to the negative health outcomes that may result if an individual does not seek care due to fear of genetic discrimination.



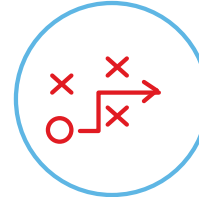
Impact

- Under the GNA, genetic testing or required disclosure of a previous genetic test cannot be requested in exchange for the provision of goods and services. Exceptions are provided for health care practitioners and researchers. There are no exceptions for insurance providers.
- Federally regulated employers are precluded from using genetic test results in managing its workforce (hiring, promotions, etc.)
- In the future, provincial employment standards and human right legislation may be amended to align with federal laws respecting genetic non-discrimination.



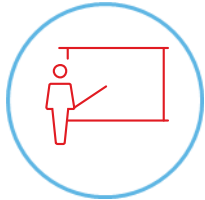
National Pharmacare

- The *Advisory Council on the Implementation of National Pharmacare* (the Council) released a [final report](#) on June 12, 2019 recommending, among other things, that Canada:
 - Implement universal, single-payer, public pharmacare.
 - Establish a Canadian drug agency, which would be responsible for developing a national list of prescription drugs (the formulary) beginning with an initial formulary of common or so-called essential medicines by January 1, 2022, and expanding to a fully comprehensive formulary by January 1, 2027.
- Note that the report provided recommendations only and does not constitute government policy. The Government of Canada has pledged to review the report and recommendations and work with the provinces and territories and other partners and stakeholders as they consider next steps.
- As a reminder, Federal Budget 2019 introduced steps for the creation of a national strategy.



Impact

- It is not known how the proposed national formulary will be applied or whether there will be any effect on private payers.
- Further information on a National Pharmacare strategy is expected in the coming months, but may be further delayed due to COVID-19.



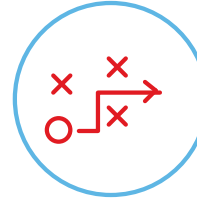
Cannabis Medical and Recreational

Medical

- Legal since 2001
- Highly regulated
- Production and distribution/sale federally regulated
- Requires medical authorization by physician or nurse practitioner
- METC eligible and benefits plan eligible
- Strong clinical evidence for limited range of conditions

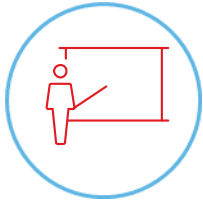
Recreational

- Legal since October 17, 2018
- Highly regulated
- Production federally regulated
- Distribution/sale provincially regulated
- Neither METC eligible nor benefits plan eligible



Impact

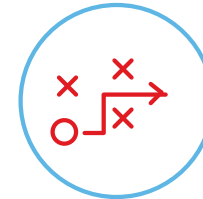
- Medical marijuana is METC eligible and can be covered under an HCSA.
- As medical marijuana is considered a valid medical supply, it can also be included under a medical plan.
- Outside of clear collective bargaining or contract language, plan sponsors are under no obligation to provide coverage for medical cannabis.
- For employers who are considering coverage, attention should be given to coverage choices and limitations.
- Both medical coverage and recreational legalization may affect policy areas such as disability and accommodation, workplace safety, and workplace wellness,



Leaves of Absence (LOA)

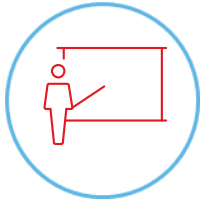
- An expanded range of caregiver (e.g., extended parental and compassionate care), LOAs have been introduced in all provinces and territories and under the Canada Labour Code for federally regulated industries.
- Most jurisdictions now provide, among other things:
 - Significantly longer periods of job-protected parental leave.
 - Job-protection for employees who are the victim or domestic or sexual violence.
 - Extended leaves for serious illness or longer bereavement periods where the deceased is a minor child.
- In some jurisdictions, length of service requirements for eligibility have been shortened or eliminated entirely.

COVID-19: Several jurisdictions have introduced new LOAs related to COVID-19. Eligibility is based on prescribed reasons stated in the amended employment standards and is generally tied to the period during which there is a declared state of emergency.



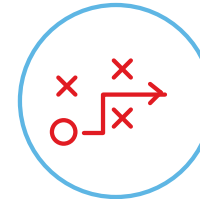
Impact

- All employers should review existing LOA policies, or consider drafting a policy where one does not exist, to account for new or modified provisions for existing LOAs.
- Collective bargaining agreements, if any, may need to be reviewed to ensure language is current.
- Some jurisdictions mandate the continuation of benefits during LOA, others do not. Where no requirement exists, employers should evaluate workforce strategy to determine whether they wish to consider extending benefits to employees on leave.



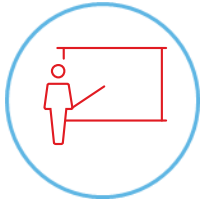
OHIP+ Ontario Pharmacare for Children and Youth Age 24 and Under

- OHIP+ provides universal drug coverage to all children and youth aged 24 and under, regardless of family income, who do not have private coverage.
- The program was launched on January 1, 2018 for all children and youth aged 24 and under. Revisions on April 1, 2019 introduced exclusions for those with private coverage.
- OHIP+ coverage includes:
 - More than 4,400 drug products listed on the Ontario Drug Benefit (ODB) Formulary, including medications and diabetes test strips.
 - Drugs eligible for funding through the Exceptional Access Program (EAP) Enrollment in the program is automatic for children and youth, 24 and under, with OHIP eligibility.
- Individuals or families who have significant out-of-pocket costs, despite having private insurance coverage, may apply for additional financial support through the Trillium Drug Program.
- Some plans enable members to voluntarily opt-out of private coverage during enrolment or life event. When a member has opted out, they will be considered not to have private coverage and will be OHIP+ eligible



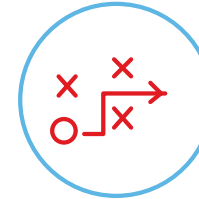
Impact

- Through 2018 and the first quarter of 2019, OHIP+ would have resulted in a reduction in private plan drug claims and carrier administrative costs.
- These savings have since been eliminated with April 1, 2019 changes to eligibility provisions that exclude children/youth aged 24 and under with private plan coverage from OHIP+ coverage.



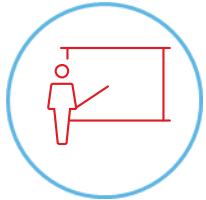
Electronic Beneficiary Designations

- The 2019 Ontario Budget bill ([*2019 Ontario Budget Measures Act*](#)) amended the Insurance Act, among other things, to clarify that insurers may accept electronic beneficiary designations, subject to any specific requirements set out in the *Insurance Act*, regulations, and other applicable laws—including the *Electronic Commerce Act, 2000*—or that may be prescribed by the Financial Services Regulatory Authority of Ontario.
- Specific requirements under the Insurance Act have not been issued to date.



Impact

- Electronic beneficiary designations may be allowable under the *Electronic Commerce Act*.
- Where group insurance is concerned, the possibility to designate beneficiaries electronically will still depend on any restrictions in the policy provisions requiring a wet signature to be filled with the insurer, at least until the specific requirements in the Insurance Act referred to in the *2019 Budget Measures Act* are introduced and adopted.
- All Canadian provinces have electronic commerce legislation that would allow for electronic designations. Until specific requirements are enacted under the Insurance Acts, the decision to enable electronic beneficiary designations remains with the carrier.
- When these amendments come into effect, the changes may help employers streamline and simplify administrative processes.



OHIP

Emergency Out-of-Country Coverage Eliminated

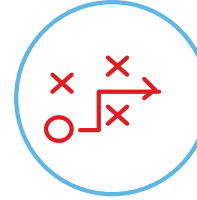
- Effective January 1, 2020, coverage for emergency services (arising while outside the country) for Ontarians travelling outside of Canada is no longer available under OHIP.

Osteopathic Coverage Eliminated

- Effective January 1, 2020, the following services rendered by osteopaths are no longer insured services under the Provincial Plan: Initial service (office or institutional), subsequent service, home service, radiographic examination.

Out-of-Country Dialysis Program Added

- Effective January 1, 2020, a new program to fund out-of-country dialysis services ensures that Ontarians living with kidney failure can continue to have access to the care they need when travelling outside of Canada. The program is operated by the Ontario Renal Network with funding from the government and patients will receive the same reimbursement rates as currently provided through existing programs.



Impact

- In isolation, these OHIP coverage changes are not expected to have a significant impact on plan sponsors.
- They may; however, reflect a renewed trend towards public to private cost shifting.

Appendix H - Review of Funding Arrangements

Policy Number	Benefits Covered	Funding Arrangement	Cost Sharing (MLHU / Employee)
Class 1 –ONA Local 36			
165855	Basic Life / AD&D	Insured	100% / 0%
58469	Health & Dental	ASO	100% / 0%
Class 2 (Under Age 65) & 12 (Over Age 65) – Full Time Members of CUPE Local 101			
165855	Basic Life / AD&D	Insured	100% / 0%
165855	LTD	Insured	0% / 100%
58469	Health & Dental	ASO	100% / 0%
Class 3 – Part-Time Members of CUPE Local 101			
165855	Basic Life / AD&D	Insured	100% / 0%
165855	LTD	Insured	0% / 100%
Class 4 (Under Age 65) & 5 (Over Age 65) - Non-Union Members			
165855	Basic Life	Insured	100% / 0%
165855	LTD	Insured	0% / 100%
58469	Health & Dental	ASO	100% / 0%
Class 6 – Early Retirees Non-Union retired PRIOR to April 1, 2004			
165855	Basic Life	Insured	100% / 0% - until age 65
58469	Health & Dental	ASO	100% / 0% - until age 65
Class 7 – Early Retirees Non-Union retired ON OR AFTER April 1, 2004			
165855	Basic Life / AD&D	Insured	100% / 0% - until age 65
58469	Health & Dental	ASO	100% / 0% - until age 65

...Appendix H - Review of Funding Arrangements

Policy Number	Benefits Covered	Funding Arrangement	Cost Sharing (MLHU / Employee)
Class 8 – Early Retirees ONA retired PRIOR to April 1, 2004			
165855	Basic Life	Insured	100% / 0% - until age 65
58469	Health & Dental	ASO	100% / 0% - until age 65
Class 9 – Early Retirees ONA retired ON OR AFTER April 1, 2004			
165855	Basic Life / AD&D	Insured	100% / 0% - until age 65
58469	Health & Dental	ASO	If Retired after October 1, 2006: <ul style="list-style-type: none"> With less than 10 years of service, 100% employee paid (optional) With more than 10 years of service, employer pays premium applicable at date of retirement, employee pays future increases Otherwise, 100% / 0% - until age 65
Class 10 – Early Retirees Full-Time CUPE retired ON OR AFTER Dec 1, 2003			
165855	Basic Life / AD&D	Insured	100% / 0% - until age 65
58469	Health & Dental	ASO	If Retired after October 1, 2006: <ul style="list-style-type: none"> With less than 10 years of service, 100% employee paid (optional) With more than 10 years of service, 100% employer paid Otherwise, 100% / 0% - until age 65
Class 11 – Early Retirees Part-Time CUPE retired ON OR AFTER Dec 1, 2003			
165855	Basic Life / AD&D	Insured	100% / 0% - until age 65

Appendix I – Commission Disclosure

- Commission Schedule
 - All benefits – Flat 3.0% of Premiums / Deposits
 - Estimated commissions based on January 1, 2021 Renewal: \$42,000

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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 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 a summary of premiums is provided below:

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

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.

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

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

A handwritten signature in black ink, appearing to read 'E. Williams'.

Emily Williams, BScN, RN, MBA
Chief Executive Officer (Interim)

2021 Health Unit Insurance Program MIDDLESEX-LONDON HEALTH UNIT

Renewal Report for the Policy Term March 1, 2021 to March 1, 2022

Prepared by:
Aran Myers
Regional Manager

Ref 48700/kl

25 February 2021

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ABOUT FRANK COWAN COMPANY

Frank Cowan Company is a leader in providing specialized insurance programs, including risk management and claims services to municipalities, healthcare, education, community, children's and social service organizations across Canada. Proven industry knowledge, gained through over nine decades of partnering with insurance companies and independent brokers, gives Frank Cowan Company the ability to effectively manage the necessary risk, advisory and claims services for both standard and complex issues. Frank Cowan Company is a wholly-owned subsidiary of Intact Financial Corporation with its head office located in Princeton, Ontario and a branch office in Cambridge, Ontario. Clients and broker partners receive support out of both locations. For additional information about Frank Cowan Company visit www.frankcowan.com.

Frank Cowan Company is a Managing General Agent (MGA) with the authority to write and service business on behalf of strategic partners who share our commitment and dedication to protecting specialized organizations. Because our partners are long-term participants on our program, they understand the nature of fluctuating market conditions and complex claims and are prepared to stay the course.

Intact Insurance Company is integrating The Guarantee Company of North America's business and policies and, as such, The Guarantee Company of North America will be replaced as a subscriber by Intact Insurance Company when your policy becomes effective.

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Fraudulently Induced Transfer
Road Reviews
Fleet Management

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CLAIMS & RISK MANAGEMENT

In-house claims management = faster turn around, single point of contact, specialized expertise in the municipal claims environment.

Go above and beyond with complimentary risk management services such as contract reviews, inspections and the Centre of Excellence.



THE ADVANTAGE OF A MANAGING GENERAL AGENT

The MGA model is different than a traditional broker/insurer arrangement in that an MGA provides specialized expertise in a specific, niche area of business. As an MGA we also offer clients additional and helpful services in the area of risk management, claims and underwriting. And unlike the reciprocal model, a policy issued by an MGA is a full risk transfer vehicle not subject to retroactive assessments but rather a fixed term and premium.

We invite you to work with a partner who is focused on providing a complete insurance program specific to your organization that includes complimentary value-added services that help drive down the cost of claims and innovative first to market products and enhancements. You will receive personalized service and expertise from a full-service, local and in-house team of risk management, claims, marketing and underwriting professionals.

As a trusted business partner, we believe in participating in and advocating for the causes that affect our clients. For this reason, we affiliate with and support key provincial and national associations. In order for Frank Cowan Company to be effective in serving you, we, as an MGA, believe in fully understanding your needs, concerns and direction. Our support is delivered through thought leadership, financial resources, advocacy, services, education and more.

RISK MANAGEMENT SERVICES

We are the leader in specialized risk management and place emphasis on helping your organization develop a solid plan to minimize exposure before potential incidents occur. Risk management is built into our offerings for all clients, fully integrated into every insurance program. Our risk management team is comprised of analysts, inspectors and engineers who use their expertise to help mitigate risk. We do everything we can to minimize your exposure before potential incidents occur. This includes providing education, road reviews, fleet reviews, contract analysis and property inspections.

CLAIMS MANAGEMENT SERVICES

Our in-house team of experts has the depth of knowledge, experience and commitment to manage the complicated details of claims that your organization may experience. You deal with the public often in sensitive instances where serious accusations can be made. Your claims are often long-tail in nature and can take years to settle. Some claims aren't filed until years after the occurrence or accident. You want a team of professionals on your side that will vigorously defend your reputation. We understand your risks and your exposures and have maintained a long-term commitment to understanding the complex issues your organization may face so that we can better service your unique claims requirements.



*Please note that the information contained in this document is proprietary and confidential and is to be used for the sole purpose of determining the successful proponent. Permission must be obtained from Frank Cowan Company prior to the release of any information contained herein for any other purpose than evaluating this submission.

YOUR INSURANCE COVERAGE

Schedule of Coverage

(Coverage is provided for those item(s) indicated below)

Casualty

Coverage Description	(\$) *Deductibles	(\$) Limit of Insurance
General Liability (Occurrence Form) <i>Broad Definition of Insured</i>	5,000	15,000,000 Per Claim No Aggregate
Sexual Abuse Therapy & Counselling Extension Endorsement		Included
Forest Fire Expense		1,000,000 1,000,000 Aggregate
Medical Malpractice Liability (Claims Made Form) Retroactive Date January 1, 2003	5,000	15,000,000 Aggregate
Errors & Omissions Liability (Claims Made Form) Retroactive Date January 1, 2003	5,000	15,000,000 Aggregate
Directors' & Officers' Liability (Claims Made Form)	5,000	5,000,000 Aggregate
Additional Limit of Liability – Insuring Agreement A (Personal Insurance) only		1,000,000 Aggregate
Non-Owned Automobile Liability		15,000,000
Legal Liability for Damage to Hired Automobiles	500	50,000
Environmental Liability (Claims Made Form)	5,000	1,000,000 2,000,000 Aggregate
*Your deductible may be a Deductible and Reimbursement Clause (including expenses) refer to Policy Wordings		

Follow Form – Excess Liability

Coverage Description	(\$)	Limit of Insurance
Excess Limit		10,000,000
Underlying Policy	(\$)	Underlying Limit
General Liability	15,000,000	
Errors & Omissions Liability	15,000,000	
Non-Owned Automobile	15,000,000	

Total Limit of Liability (\$) 25,000,000

Schedule of Coverage

(Coverage is provided for those item(s) indicated below)

Crime

Coverage Description	(\$) Deductibles	(\$) Limit of Insurance
Employee Dishonesty –Form A (Commercial Blanket Bond)		100,000
Loss Inside the Premises (Broad Form Money & Securities)		10,000
Loss Outside the Premises (Broad Form Money & Securities)		10,000
Audit Expense		100,000
Money Orders and Counterfeit Paper Currency		100,000
Forgery or Alteration (Depositors Forgery)		100,000

Accident

Coverage Description	(\$) Deductibles	(\$) Limit of Insurance
Board Members: Persons Insured Eight (8) Board Members		
Board Members Accidental Death & Dismemberment		100,000
Paralysis		200,000
Weekly Income – Total Disability		300
Weekly Income – Partial Disability		150
Accidental Death of a Spouse While Travelling on Business		Included

Conflict of Interest

Coverage Description	(\$) Deductibles	(\$) Limit of Insurance
Legal Fees Expenses		100,000 Per claim No Aggregate

Legal Expense (Claims Made)

Coverage Description	(\$) Deductibles	(\$) Limit of Insurance
Legal Defence Cost		100,000 250,000 Aggregate

Schedule of Coverage

(Coverage is provided for those item(s) indicated below)

Property

**Coverage is on an All Risk Basis unless otherwise specified.
Basis of Settlement is Replacement Cost unless otherwise specified
The Deductible is on a Per Occurrence Basis**

Coverage Description	(\$ Deductibles	Basis	(\$ Limit of Insurance
Property of Every Description - Blanket	5,000	RC	11,700,715

Property Supplemental Coverage (Included in the Total Sum Insured unless otherwise specified in the wording)		
Building By-laws	5,000	Included
Building Damage by theft	5,000	Included
Debris Removal	5,000	Included
Electronic Computer Systems		
Electronic Computer Hardware and Media	5,000	Included
Electronic Computer Systems Breakdown		Not Insured
Electronic Computer Systems – Extra Expense		Not Insured
Extra Expense Period of Restoration	5,000	90 Days
Expediting Expense	5,000	Included
Fire or Police Department Service Charges	5,000	Included
First Party Pollution Clean-up	5,000	Included
Fungi and Spores	5,000	10,000
Furs, Jewellery and Ceremonial Regalia		
Ceremonial Regalia	5,000	Included
Furs and Jewellery	5,000	25,000
Inflation Adjustment	5,000	Included
Live Animals Birds or Fish	5,000	25,000
Newly Acquired Property	5,000	Included
Professional Fees	5,000	Included
Property and Unnamed Locations	5,000	Included
Property Temporarily Removed Including while on Exhibition and during Transit	5,000	Included
Recharge of Fire Protection Equipment Expense	5,000	Included

Sewer Backup and Overflow	5,000	Included
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Public Entity Extension Endorsement (In Addition to the Total Sum Insured unless specifically scheduled in the wording)		
Accounts Receivable	5,000	250,000
Bridges and Culverts	5,000	50,000
Buildings Owned due to Non Payment of Municipal Taxes	5,000	Not Insured
Buildings in the Course of Construction Reporting Extension	5,000	1,000,000
By Laws – Governing Acts	5,000	25,000
Consequential Loss Caused by Interruption of Services		
On Premises	5,000	Included
Off Premises	5,000	50,000
Cost to Attract Volunteers Following a Loss	5,000	10,000
Docks, Wharves and Piers	5,000	25,000
Errors and Omissions	5,000	Included
Exterior Paved Surfaces	5,000	50,000
Extra Expense	5,000	250,000
Fine Arts		
At Insured's Own Premises	5,000	25,000
On Exhibition	5,000	25,000
Fundraising Expenses	5,000	10,000
Green Extension	5,000	50,000
Growing Plants		
Any One Item	5,000	1,000
Per Occurrence	5,000	100,000
Ingress and Egress	5,000	Included
Leasehold Interest	5,000	25,000
Master Key	5,000	25,000
Peak Season Increase	5,000	25,000
Personal Effects	5,000	25,000
Property of Others	5,000	25,000

Rewards: Arson, Burglary Robbery and Vandalism	5,000	25,000
Signs	5,000	Included
Vacant Property	5,000	250,000
Valuable Papers	5,000	250,000
Additional Endorsements		
Virus and Bacteria Exclusion	Not Applicable	Included
Earthquake – Other Property	5,000	Included
Earthquake – Buildings	Not Applicable	Excluded
Flood – Other Property	5,000	Included
Flood – Buildings	Not Applicable	Excluded
(\$) Total Amount of Insurance		12,945,715
RC = Replacement Cost ACV = Actual Cash Value VAL = Valued		

Account Premium

<i>Prior Term</i>	<i>Total Annual Premium (Excluding Taxes Payable)</i>	\$ 76,279	Total Annual Premium (Excluding Taxes Payable)	\$ 92,310
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Please refer to the insurance contract for all limits, terms, conditions and exclusions that apply. The premium Quoted is subject to a 15% minimum retained (unless otherwise stated).

Cost Analysis

	Expiring Program Term	Renewal Program Term
Casualty		
General Liability	\$ 21,063	\$ 26,560
Medical Malpractice Liability	29,079	34,895
Errors and Omissions Liability	6,193	8,361
Directors' and Officers' Liability	5,320	6,650
Non-Owned Automobile Liability	200	200
Environmental Liability	1,000	1,200
Crime	1,377	1,418
Board Members Accident	407	296
Conflict of Interest	660	660
Legal Expense	1,804	1,858
Property		
Property	5,791	6,556
Excess		
Follow Form	3,385	3,656
<u>Total Annual Premium</u>	\$ 76,279	\$ 92,310
(Excluding Taxes Payable)		

CHANGES TO YOUR INSURANCE PROGRAM

Please be advised of the following changes to your insurance program that now apply:

Subscribing Companies

Please note the change of Insurer(s) and participation % as well as Lloyd's contract number(s).

Intact Insurance Company is integrating The Guarantee Company of North America's business and policies and, as such, The Guarantee Company of North America has been replaced as a subscriber by Intact Insurance Company.

Liberty Mutual Insurance Company has been added to the property policy.

Directors and Officers' policy is now 100% Intact Insurance Company.

Some forms have been amended to reflect the above changes.

The Lloyds Additional Conditions Form

This form has been updated effective February 1, 2021. Under the following headings changes include:

- IDENTIFICATION OF INSURER / ACTION AGAINST INSURER and LLOYD'S UNDERWRITERS' POLICYHOLDERS' COMPLAINT PROTOCOL - the address noted in the wording has been updated.
- SEVERAL LIABILITY CLAUSE – the following paragraph has been removed:
 - INSURE IN CANADA A RISK

For purposes of the Insurance Companies Act (Canada), this document was issued in the course of Underwriters' insurance business in Canada.

All other terms and conditions within the form remain unchanged.

Legal Expense Market and Product Changes

- Frank Cowan Company has partnered in the past and continues to partner with DAS Legal Protection Inc. (DAS) to provide your Legal Expense Coverage.
- DAS is a Managing General Agent (MGA) and continues to handle the Legal Expense Insurance claims on behalf of Frank Cowan as they have in the past.
- The Legal Expense wording has been updated and include changes to your policy. Coverage for Human Rights tribunals is now included under the Legal Defence coverage. The General Conditions have been updated and should be reviewed carefully.
- DAS Legal Expense Insurance policies are underwritten by Temple Insurance Company and both companies are members of Munich Re (Group). Temple Insurance Company will be shown as the Insurer on your Legal Expense Policy.

Property Policy

- **Liberty Mutual Insurance Company – New Property Subscriber**

We have partnered with Liberty Mutual Insurance Company as a new subscriber on your property policy.

Since 1912, Liberty Mutual Insurance Company has grown their organization into the sixth largest global property and casualty insurer - based on 2019 gross written premium.

Over the past 100 years, Liberty Mutual Insurance has been committed to helping people preserve and protect what they earn, build and own.

- **Virus and Bacteria Exclusion**

Frank Cowan Company is adding a virus and bacterial exclusion to property policies effective August 1st, 2020 for new business and October 1st, 2020 for renewals.

Previously we've communicated that our property coverage requires there to be a direct physical loss or direct physical damage subject to the policy terms and conditions and that business interruption coverage will not be triggered for a loss caused by a virus or bacteria.

The endorsement now clarifies that we exclude any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease. The exclusion also stipulates that this exclusion supersedes any exclusion or coverage granted relating to 'pollutants' or 'contagions'.

The exclusion applies to all locations and all property policies and coverage including business interruption coverage, builders risk coverage, miscellaneous or other property coverage "form(s)" and any extensions, clauses or additions of coverage attached to and forming part of this policy, including exceptions to exclusions attached to these policies.

Non-Owned Automobile Policy and Rented Vehicles

- Non-Owned Auto Coverage includes the SEF 94 endorsement – Legal Liability (Physical Damage) to a Hired/Rented Auto. Coverage is automatic for short term rentals (less than 30 days).
- If rentals are automatically renewed on a regular basis (for consecutive 30 day periods) coverage is required under the auto policy, #OPCF 27B endorsement and will be charged for accordingly. Please review this exposure and advise us of the details.

PROGRAM OPTIONS

1. **Crime Coverage – Other Optional Coverages**

Other Optional Coverages are also available. See attached Crime Cover Options page for further details.

Quote is available on request (completed application is required).

2. **Crime Coverage – Fraudulently Induced Transfer Coverage**

Fraudulently Induced Transfer Coverage is now available. Covers a loss when an Insured under the policy has been intentionally misled by someone claiming to be a vendor, client or another employee of the company and the Insured has transferred, paid or delivered money or securities to this third party.

For Coverage information and available options refer to the Fraudulently Induced Transfer Endorsement Coverage Highlights Sheet.

3. **Property Coverage – Income Replacement**

Income can change from year to year, so it is important to annually review your Business Interruption needs.

Higher limits or Optional Coverages to protect your income are available.

All income producing facilities need to be considered (e.g. arenas, pools, libraries, community halls etc.)

4. **Equipment Breakdown Coverage – Tech Advantage**

Property policies typically exclude losses that Equipment Breakdown Insurance is designed to cover.

Equipment Breakdown Coverage insures against losses (property damage and business interruption) resulting from 'accidents' (as defined in the wording) to various types of equipment such as pressure, mechanical, electrical and pressure equipment (called "objects" in the policy). Coverage also extends to electronic equipment for 'electronic circuitry impairment'. Coverage typically extends to production machinery unless specifically excluded.

For product information refer to Equipment Breakdown TechAdvantage Highlights Sheet.

A quote is available upon request.

5. **Remotely Piloted Aircraft Systems (UAV) Coverage**

Property and/or Liability Cover may be available for Remotely Piloted Aircrafts (UAV).

Application required to quote.

Description of Coverage

PATIENT MEDICAL HISTORY

Patient's Name _____ Date _____
Date of Birth _____ Age _____
Problems with Anesthesia? YES NO Weight _____ Height _____
Current Complaints _____ If yes, explain _____
Allergies / Difficulties with Medication & Reaction _____
 None Latex Metal / Jewelry _____
Ref. Physician: _____ Date _____
Blood Pressure if known _____ Chart # _____
PCP _____
Date of Last Tetanus _____
Current Medication _____
How Taken None _____

INFORMATION

Mental / Nervous Disorder
 Anemia
 Diabetes
 Tuberculosis
 Ulcers
 Varicose Veins
 Venereal Disease
 Other: _____

Please choose one of the following:
 For _____
Cocaine _____
Marijuana _____
Smoked _____

Frank Cowan Company offers a Comprehensive Insurance Program to meet your needs.

"Your Insurance Coverage" provides a schedule of proposed coverages, limits and deductibles included in this proposal.

Highlights of coverage follow providing a summary of coverage. Highlight pages may include description of optional coverages.

The information in this notice is intended for informational purposes only. For full details with respect to coverage, exclusions, conditions and limitations refer to the policy wordings. While coverage may be quoted, once a policy is issued coverage is only applicable if shown on Declaration Page or Schedule of Coverage.

HEALTH CARE LIABILITY INSURANCE HIGHLIGHTS

OVERVIEW

Insures against liability imposed by law for damages because of bodily injury or death to any person resulting from the operations of the Insured and for damages to or destruction of property of others caused by an occurrence.

FEATURES

- Occurrence based coverage
- Worldwide coverage territory
- 90 day cancellation for any reason other than non-payment
- Malpractice Liability – Claims Made
- Broad Bodily Injury coverage – Coverage is automatically provided for shock, mental anguish, mental injury and assault and battery
- Broad Personal Injury coverage – Coverage is automatically extended to cover humiliation and discrimination
- Cross Liability
- No General Aggregate
- Products and Completed Operations is not subject to an Aggregate Limit
- Medical Payments

NO EXCLUSIONS FOR:

- Employers Liability
- Advertising Liability
- Property damage to the Insured's work arising out of the products-completed operations hazard
- Sexual, physical or mental abuse applies to the entity (unless otherwise indicated)

EXCLUSIONS SPECIFICALLY FOR:

- Liability of a trustee, board member, director, executive officer, employee or volunteer worker if they are in violation of the law (criminal act), or while under the influence of hypnotics, intoxicants or narcotics
- Employment Practices wrongful act

ADDITIONAL INFORMATION :

One Limit of Insurance for all Insuring Agreements including

- | | |
|-------------------|---------------------------|
| • Bodily Injury | • Personal Injury |
| • Property Damage | • Tenants Legal Liability |

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PROFESSIONAL ERRORS AND OMISSIONS LIABILITY COVERAGE HIGHLIGHTS

DEFENCE COSTS IN ADDITION TO POLICY LIMITS AND SETTLEMENT PROVISION

Expanded Defence Costs Coverage

- Coverage for Defence Costs is provided in addition to the Limit of Liability.

ENHANCED POLICY CONDITIONS

Bankruptcy	Bankruptcy or insolvency will not relieve the Insurer of obligations under the policy.
Coverage Territory	Worldwide coverage.
Duties in event of a Claim	Notice required as soon as practicable no later than 30 Days after termination date of the policy period.
Termination of Policy	Written notice of termination in the event of non-payment of premiums is 15 days by registered letter, or 90 days by registered letter for any other reason.

LIMITS OF INSURANCE

Aggregate Limit of Liability excluding Defence Expenses

- Extended Reporting Period does not reinstate Limit of Insurance.

STANDARD EXCLUSIONS

Standard exclusions included, found in most liability policies:

- Pollution, Data, Fungi, Asbestos, Terrorism, Nuclear and War exclusions are now incorporated.

BILATERAL ELECTION OF DISCOVERY PERIOD NOW AVAILABLE

1 year at 100% of the annual premium available if either Insured or Insurer cancels or non-renews the policy.

BROAD DEFINITIONS

Claim Expanded	Civil proceedings. Arbitration, mediation or alternative dispute resolution proceedings.
Insured Persons Include	Any present or former partner, executive officer, director, stockholder, employee, volunteer, or member of a duly constituted committee.

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NOT FOR PROFIT ENTITY, DIRECTORS' AND OFFICERS' LIABILITY COVERAGE HIGHLIGHTS

OVERVIEW

Not for Profit Directors' and Officers' Liability Insurance is more crucial than ever as more Non Profits make headlines in the media. There is increased scrutiny from the general public regarding the finances and management of organizations. This coupled with increased regulation along with the rising frequency and severity of legal actions leaves the Entity and Directors' and Officers' vulnerable as Directors' and Officers' can be held personally liable for their role in an Organization/Entity.

WHO NEEDS COVERAGE

- Any charitable or Not for Profit Entity.
- Not for Profit Directors and Officers.
- Members and Volunteers of these organizations.

WHY COVERAGE IS REQUIRED

Being a member of the Board of Directors or an officer for a not-for-profit organization can expose an individual to unique risks. Directors and officers can be subject to allegations of breach of common law duties breach of duties owed to their stakeholders or members and statutory liabilities imposed by federal or provincial laws. They are required to act in good faith and in the best interest of the organization within the scope of the entities' by-laws and applicable regulations and statutes.

Many not-for-profit organizations have limited resources to indemnify directors and officers or respond to potential litigation, settlements or damage awards, putting the personal assets of directors and officers at risk, as well as the assets of the entity.

FEATURES

- Regulatory and Criminal Defence
- Defence costs do not erode the Limit of Liability.
- Coverage extends to a spouse of an Insured Person.
- Additional Side A. Coverage: Coverage provides protection to the Insured Persons if the Entity is unable to indemnify (due to statute or insolvency).
- Provisions for Directors' and Officers' when they serve on other non-profit boards (with consent of the Insured Organization/Entity).
- Fiduciary Insurance (for Benefits Programs). Coverage is for allegations in administration of a Benefits program an Entity offers their employees.
- Derivative Demand Coverage: Provides coverage for Investigation Costs when members threaten to bring derivative actions on behalf of the Entity.
- Statutory Liabilities are explicitly covered.
- World-wide coverage
- No Hammer Clause
- 90 Day Reporting
- Extended Reporting/Discovery Period is available and can be purchased when the policy is not being renewed.

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NON-OWNED AUTOMOBILE COVERAGE HIGHLIGHTS

OVERVIEW

Non-Owned and hired automobile liability insurance covers bodily injury and property damage caused by a vehicle not owned by the Insured (including rented or borrowed vehicles). Coverage is provided for Third Party Liability arising from the use or operation of any automobile not owned or licensed in the name of the Insured if it results in bodily injury (including death), property damage (if the property was not in possession of the Insured) to a third party.

FEATURES

SEF No. 96 Contractual Liability:

- When renting a vehicle you engage in a contractual relationship with the rental company where you assume liability for the operation of the automobile. It is therefore important that contractual coverage is added to the policy by way of an endorsement known as SEF (Standard Endorsement Form) No. 96. Contractual Liability coverage is automatically provided for all written contractual agreements with our Non-Owned Automobile coverage.

SEF No. 99 Long Term Lease Exclusion:

- When Contractual Liability is provided under the policy there is also an exclusion for Long Term Leased vehicles SEF No. 99. This excludes coverage for vehicles hired or leased for longer than a certain period such as 30 days.

Territory:

- The Non-Owned Automobile policy provides coverage while in Canada and United States.

Termination Clause:

- The standard termination clause has been amended in that the Insured may still provide notice of cancellation at any time, however, the Insurer must provide ninety days' notice of cancellation to the Insured rather than the standard 15 or 30 days.

SEF No. 94 Legal Liability (Physical Damage) to a Hired/Rented Automobile:

- We automatically provide coverage for damage to a vehicle that you have hired or rented. Coverage is provided via endorsement SEF No. 94. We automatically provide 'All Perils' coverage. The limit of coverage will vary per client.

ADDITIONAL INFORMATION

Courts have repeatedly held that when an automobile is used on a person's behalf or under a person's direction, that person (or entity) has a responsibility for the operation of the automobile and may be held liable for damages in the event of an accident even though he or she is not the owner or driver of the vehicle. This common law principle has been supported by a number of court decisions making an employer responsible for the use and operation of an automobile when an employee is operating an automobile (not owned by the employer) while being used for the employer's business.

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ENVIRONMENTAL COVERAGE HIGHLIGHTS

OVERVIEW

Pollution incidents are a significant risk that can result in serious harm to public health and safety as well as to the environment.

We provide pollution liability insurance for claims for third party bodily injury and property damage. Coverage is provided on a blanket basis resulting from pollution conditions on or migrating from premises owned, occupied, rented or leased by the insured that are discovered and are reported during the policy period. The policy responds to events that are gradual in nature as well as those that are sudden and accidental, causing third party damage whether pollutants are released on land, into the atmosphere or in the water.

FEATURES

Defence Costs

- Our Defence costs are over and above the limit of insurance and will respond even if allegations are groundless or false.

Storage Tanks

- Seepage or leakage from both above and below ground storage tanks are covered without being specifically listed on the policy.

Territory

- Worldwide territory.

Limits of Insurance

- Both a 'per incident' and an 'aggregate' limit is applicable.

ADDITIONAL INFORMATION

Environmental exposures pose an imminent and substantial threat to public health, safety or welfare or to the environment. Exposures could stem from: wastewater treatment plants, electric utility plants, construction sites, flood and rainwater runoff or retention basins, underground fuel storage tanks, herbicides, pesticides, and fertilizers, road salts and chemicals used to de-ice roads and bridges, contaminated waste from medical facilities or health clinics, marina's, fire-fighting chemicals or even contaminated swimming pools.

An environmental exposure arising from sewers is covered under our liability.

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CRIME COVERAGE HIGHLIGHTS

OVERVIEW

Our crime coverage is one of the broadest and most flexible in the industry. An Insured may elect to purchase any or all of the Standard Crime Coverage we have available. In addition to the Standard crime coverage the Insured may elect to also purchase any of our Optional Coverages.

Optional Crime Coverage Includes:

- Extortion Coverage (Threats to persons and property)
- Pension or Employment Benefit Plan coverage
- Residential Trust Fund Coverage
- Credit Card Coverage
- Client Coverage (Third Party Bond)
- Fraudulently Induced Transfer Coverage (otherwise known as Social Engineering). *Separate Coverage Highlights Sheet for Fraudulently Induced Transfer Coverage is available.*

For more information on our Optional Coverage refer to our Crime Coverage Options Highlight Sheet.

FEATURES OF OUR STANDARD CRIME COVERAGE

Below is a brief description of the Standard Crime Coverage an Insured may elect to purchase:

Employee Dishonesty – Form A Commercial Blanket Bond

- This protects the employer from financial loss due to the fraudulent activities of an employee or group of employees. The loss can be the result of theft of money, securities or other property belonging to the employer.

Loss Inside and Loss Outside the Premises (Broad Form Money and Securities)

- Covers loss by theft, disappearance, or destruction of the Insured's money and securities inside the Insured's premises (or Insured's bank's premises) as well as outside the Insured's premises while in the custody of a messenger.

Money Orders and Counterfeit Paper Currency

Covers Loss

- Due to acceptance of a money order that was issued (or is purported to have been issued) by a post office or express company; and
- From the acceptance of counterfeit paper currency of Canada or the United States.

Forgery and Alteration

- Covers loss due to dishonesty from a forgery or alteration to a financial instrument (cheque, draft or promissory note).

Audit Expense

- Coverage for the expenses that are incurred by the Insured for external auditors to review their books in order to establish the amount of a loss. This is a separate limit of insurance.

Computer and Transfer Fraud (Including Voice Computer Toll Fraud)

- Loss caused when money, securities, or other property is transferred because of a fraudulent computer entry or change. The entry or change must be within a computer system that the Insured owns (and on their premises).
- Loss caused when money or securities are transferred, paid, or delivered from the Insured's account at a financial institution based on fraudulent instructions (at the financial institutions premises).
- Voice computer toll fraud covers the cost of long distance calls if caused by the fraudulent use of an account code or a system password.

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BOARD MEMBERS' (INCLUDING COUNCILLORS') ACCIDENTAL DEATH AND DISMEMBERMENT COVERAGE HIGHLIGHTS

AD&D AND PARALYSIS LIMITS	OPTION 1	OPTION 2
Accidental Death or Dismemberment (including loss of life and heart attack coverage)	\$100,000	\$250,000
Paralysis Coverage – 200% of Accidental Death and Dismemberment Limit		
Permanent Total Disability - Accidental Death and Dismemberment Limit		

WEEKLY INDEMNITY	OPTION 1	OPTION 2
Total Loss of Time	\$300	\$500
Partial Loss of Time	\$150	\$300

ACCIDENT REIMBURSEMENT - \$15,000

Chiropractor	Crutches [†]
Podiatrist/Chiropodist	Splints [†]
Osteopath	Trusses [†]
Physiotherapist	Braces (excludes dental braces) [†]
Psychologist	Casts [†]
Registered or Practical Nurse	Oxygen Equipment – Iron Lung
Trained Attendant or Nursing Assistant [‡]	Rental of Wheelchair
Transportation to nearest hospital [†]	Rental of Hospital Bed
Prescription drugs or Pharmaceutical supplies [‡]	Blood or Blood Plasma [‡]
Services of Physician or Surgeon outside of the province	Semi Private or Private hospital room [‡]

[†]Maximum \$1,000 per accident. [‡]If prescribed by physician

DENTAL EXPENSES

Dental Expenses	\$5,000
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OCCUPATIONAL RETRAINING – REHABILITATION

Retraining – Rehabilitation for the Named Insured	\$15,000
Spousal Occupational Training	\$15,000

REPATRIATION

Repatriation Benefit (expenses to prepare and transport body home)	\$15,000
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DEPENDENT CHILDREN – PER CHILD

Dependent Children's Education (limit is per year- maximum 4 years)	\$10,000
Dependent Children's Daycare (limit is per year- maximum 4 years)	\$10,000

TRANSPORTATION/ACCOMMODATION (WHEN TREATMENT IS OVER 100KM FROM RESIDENCE)

Transportation costs for the Insured when treatment is over 100km from home.	\$1,500
Transportation and accommodation costs when Insured is being treated over 100km from home.	\$15,000

HOME ALTERNATION AND VEHICLE MODIFICATION

Expenses to modify the Insured's home and/or vehicle after an accident.	\$15,000
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SEATBELT DIVIDEND

10% of Principal Sum	\$25,000
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FUNERAL EXPENSE

Benefit for loss of life	\$10,000
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IDENTIFICATION BENEFIT

Benefit for loss of life	\$5,000
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EYEGASSES, CONTACT LENSES AND HEARING AIDS

When Insured requires these items due to an accident.	\$3,000
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CONVALESCENCE BENEFIT – PER DAY

Insured Coverage	\$100
One Family Member Coverage	\$50

WORKPLACE MODIFICATION BENEFITS

Specialized equipment for the workplace.	\$5,000
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ELECTIVE BENEFITS**Complete Fractures**

Skull	\$ 5,200	Foot & Toes	\$ 2,200
Lower Jaw	\$ 2,800	Two or More Ribs	\$ 1,900
Collar Bone	\$ 2,800	Colles' fracture	\$ 2,800
Shoulder Blade	\$ 3,500	Potts' fracture	\$ 3,400
Shoulder Blade complications	\$ 3,700	Dislocation	
Thigh	\$ 4,600	Shoulder	\$ 2,200
Thigh/hip joints	\$ 4,600	Elbow	\$ 2,200
Leg	\$ 3,500	Wrist	\$ 2,500
Kneecap	\$ 3,500	Hip	\$ 4,600
Knee/joint complications	\$ 4,000	Knee	\$ 3,500
Hand/Fingers	\$ 2,200	Bones of Foot or Toe	\$ 2,500
Arm (between shoulder & elbow)	\$ 4,600	Ankle	\$ 2,800
Forearm (between wrist & elbow)	\$ 2,800		

AGGREGATE LIMIT

Aggregate Limit only applicable when 2 or more board members are injured in same accident.	\$ 2,500,000
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COVERAGE EXTENSIONS

- Standard coverage is applicable while the Insured is 'On Duty'. Coverage for Accidents that may occur 24/7 may be purchased.
- Accidental Death of a Spouse While Travelling on Business is automatically included when this coverage is purchased. This endorsement provides for Accidental Death of a spouse when the spouse is travelling with an Insured Person on business. Coverage applies while travelling to or from such an event and /or if the loss of life occurs within one year of the accident.
- When Board Members' Accidental Death and Dismemberment Coverage is purchased, the Insured also has the option to purchase Critical Illness Coverage.

ADDITIONAL INFORMATION

- Loss of life payments up to 365 days from date of Accident or if permanently disabled up to 5 years.
- Weekly Indemnity coverage pays in addition to Elective Benefits.
- Weekly Indemnity payments take other income sources into consideration (e.g. automobile, CPP, group plans).
- Coverage is applicable to Insured 80 years of age or under.

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CONFLICT OF INTEREST COVERAGE HIGHLIGHTS

OVERVIEW

Conflict of Interest can be described as a situation in which public servants have an actual or potential interest that may influence or appear to influence the conduct of their official duties or rather divided loyalties between private interests and public duties.

Conflict of Interest coverage provides protection for the cost of legal fees and disbursements in defending a charge under the Municipal Conflict of Interest Act (or other similar Provincial Legislation in the respective province of the Insured).

FEATURES

Coverage is offered as a standalone coverage providing the client a separate limit of insurance that is not combined with any other coverage such as legal expense coverage.

- Per Claim Limit only – No Annual Aggregate.
- Coverage provided on a Reimbursement Basis.

COVERAGE DESCRIPTION

Coverage is provided for legal costs an Insured incurs in defending a charge under the Provincial Conflict of Interest Act if a court finds that:

- There was no breach by the Insured; or
- The contravention occurred because of true negligence or true error in judgment; or
- The interest was so remote or insignificant that it would not have had any influence in the matter.

ADDITIONAL INFORMATION

Coverage is provided for elected or appointed members of the Named Insured including any Member of its Boards, Commissions or Committees as defined in the 'Conflict of Interest Act' while performing duties related to the conduct of the Named Insured's business.

Conflict of Interest coverage is applicable to only those classes of businesses that are subject to the Municipal Conflict of Interest Act (or other similar Provincial legislation in the respective province of the Insured).

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LEGAL EXPENSE COVERAGE HIGHLIGHTS

COVERAGE FEATURES

We offer comprehensive Legal Expense Coverage to protect an Insured against the cost of potential legal disputes arising out of your operations.

- Coverage will pay as costs are incurred.
- Broad Core Coverage
- Optional Coverage
- Coverage for Appeals for Legal Defence Costs and any Optional Coverage purchased.
- Unlimited Telephone Legal Advice and access to Specialized Legal Representation in event of legal disputes.
- Additional Optional Coverage available.
- Broad Definition of Insured including managers, employees and volunteers.

BROAD CORE COVERAGE

The core coverage provides Legal Defence Costs for:

- Provincial statute or regulation (including human rights tribunals).
- Criminal Code Coverage when being investigated or prosecuted. Coverage is applicable whether pleading guilty or a verdict of guilt is declared.
- Civil action for failure to comply under privacy legislation.
- Civil action when an Insured is a trustee of a pension fund for the Named Insured's employees.

OPTIONAL COVERAGE

In addition to the Core Coverage an Insured can mix and match any of the following Optional Coverage:

- Contract Disputes and Debt Recovery
- Statutory License Protection
- Property Protection
- Tax Protection

LIMITS AND DEDUCTIBLES

- Coverage is subject to an Occurrence and an Aggregate Limit.
- The Core Coverage is typically written with no deductible however a deductible may be applied to Optional Coverage.

EXCLUSIONS

- Each Insuring Agreement is subject to Specific Exclusions and Policy Exclusions.
- Municipal Conflict of Interest Act (or other similar provisions of other Provincial legislation) is excluded.
* Conflict of Interest Coverage may be provided under a separate policy for eligible classes of business.

TELEPHONE LEGAL ADVICE AND SPECIALIZED LEGAL REPRESENTATION

- General Advice (available from 8 am until 12 am local time, 7 days a week).
- Emergency access to a Lawyer 24 hours a day, 7 days a week.
- Services now automatically include the option of using an appointed representative from a panel of Lawyers with expertise in a variety of areas.

CLIENT MATERIAL AND WALLET CARD

- The 'Legal Expense Important Information' wording attached to each policy explains the steps that are to be taken in event of a claim.
- A wallet card is now attached to the policy which the Named Insured can copy & distribute to each Insured (e.g. managers, employees, etc.).

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PROPERTY COVERAGE HIGHLIGHTS

OVERVIEW

Property insurance is about planning for the unexpected and protecting your physical assets in order to minimize your business disruption should a loss occur. It is important that your property insurance includes broad coverage to protect these assets (e.g. buildings and other property you own, lease or are legally liable for) from direct physical loss.

We will work closely with you to customize a property coverage solution. We cover a wide variety of property, including buildings, inventory and supplies, office furniture and fixtures, computers, electronics, equipment (including unlicensed mobile equipment, maintenance and emergency equipment) and other unique property.

The Frank Cowan Company property wording is flexible and adaptable. Your policy will be comprised of a Base Property Wording and a Public Entity Extension of Coverage Endorsement as well as any miscellaneous or specific endorsements to tailor coverage to meet your needs.

FEATURES AND BENEFITS

Features and Benefits include:

- Coverage is typically written on an all-risk basis including replacement cost.
- Our standard practice is to write property on a Property of Every Description (POED) or blanket basis, however, coverage can be scheduled separately if required.
- No margins clause and no statement of values required.
- We have two Deductible Clauses: A standard Deductible Clause and a Dual Policy Deductible Clause. The Dual Policy Deductible clause states how a deductible will be applied when there is both an automobile policy and a property policy involved in the same loss (when both policies are written with Frank Cowan Company).
- Worldwide Coverage
- Unlicensed Equipment (e.g. Contractors Equipment): Automatically includes Replacement Cost as the basis of settlement regardless of age. This can be amended to an Actual Cash Value (ACV) or Valued basis if required (applicable only if the Insured owns the unlicensed equipment).
- Flood and Earthquake coverage are available.

SUPPLEMENTAL COVERAGE UNDER THE BASE PROPERTY WORDING

The Base Property Wording automatically includes numerous Supplemental Coverages such as:

- | | |
|---|---|
| • Building Bylaws | • Furs, Jewellery and Ceremonial Regalia |
| • Building Damage by Theft | • Inflation Adjustment |
| • Debris Removal Expense | • Live Animals, Birds or Fish |
| • Electronic Computer Systems | • Newly Acquired Property |
| • Expediting Expense | • Professional Fees |
| • Fire or Police Department Service | • Property at Unnamed Locations |
| • First Party Pollution Clean-Up Coverage | • Property Temporarily Removed including while on Exhibition and during Transit |
| • Fungi (covers the expense for any testing, evaluating or monitoring for fungi or spores required due to loss) | • Recharge of Fire Protective Equipment |
| | • Sewer Back Up and Overflow |

Note: The Supplemental Coverage does not increase your Total Sum Insured in most cases.

PUBLIC ENTITY EXTENSIONS OF COVERAGE ENDORSEMENT

Each Extension of Coverage has an individual Limit of Insurance and will be shown on the Summary of Coverage/Declarations Page.

The Limit of Insurance for each Extension of Coverage is over and above the Total Sum Insured (unless shown as 'included' on the declarations or otherwise stipulated within the wording).

Limits of Insurance available for each Extension of Coverage will vary based on the individual risk.

- Accounts Receivable
- Bridges and Culverts
- Building Coverage Owned Due to the Non Payment of Municipal Taxes – *Named Perils Coverage applies.*
- Building(s) in the Course of Construction Reporting Extension
- By Laws – Governing Acts
- Consequential Loss caused by Interruption of Services
- Cost to Attract Volunteers Following a Loss
- Docks, Wharves and Piers
- Errors and Omissions
- Exterior Paved Surfaces
- Extra Expense
- Fine Arts at Own Premises and Exhibition Site
- Fundraising Expenses
- Green Extension
- Growing Plants
- Ingress and Egress
- Leasehold Interest
- Master Key
- Peak Season Increase
- Personal Effects
- Property of Others
- Rewards: Arson, Burglary, Robbery and Vandalism
- Signs
- Vacant Properties – *Named Perils Coverage applies on an Actual Cash Value basis.*
- Valuable Papers

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Program Options Highlights of Coverage

Frank Cowan Company offers a Comprehensive Insurance Program to meet your needs.

In addition to "Your Insurance Coverage", enhancements to your coverage are available as outlined under the Program Options page.

Highlights of coverage follow providing a brief description of these options.

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CRIME COVERAGE OPTIONS

EXTORTION COVERAGE (THREATS TO PERSONS AND THREATS TO PROPERTY)

Coverage for both 'Threats to a Person' and 'Threats to Property' are sold together with a separate limit of insurance applying to each.

Threats to Person:

- Coverage responds when a threat is communicated to the Insured to do bodily harm to a director, officer or partner of the Insured (or a relative) when these persons are being held captive and the captivity has taken place within Canada or the U.S.A.

Threats to Property:

- Coverage responds when a threat is communicated to the Insured to do damage to the premises or to property of the Insured is located in Canada or the U.S.A.

PENSION OR EMPLOYEE BENEFIT PLAN COVERAGE

Coverage is for loss resulting directly from a dishonest or fraudulent act committed by a fiduciary (a person who holds a position of trust) in administering a pension or employee benefit plan. Coverage is provided whether the fiduciary is acting alone or in collusion with others. Fiduciary relationships may be created by statute however; individuals may also be deemed fiduciaries under common law.

RESIDENTIAL TRUST FUND COVERAGE (FOR SELECT CLASSES OF BUSINESS ONLY)

- Covers loss of property (money, securities or other property) belonging to a resident when it is held in trust by a residential facility. Coverage is for loss directly attributable to fraudulent act(s) committed by an employee of the facility whether the employee was acting alone or in collusion with others.
- A residential facility comprises a wide range of facilities and includes any residential facility operated for the purpose of supervisory, personal or nursing care for residents.
- Coverage stipulates that the 'resident' must be a person who is unable to care for themselves (this could be due to age, infirmity, mental or physical disability).
- When a resident is legally related to the operator of the residential facility, coverage is specifically excluded.

CREDIT CARD COVERAGE

Coverage is for loss from a third party altering or forging a written instruction in connection with a corporate credit card issued to an employee, officer or partner.

CLIENT COVERAGE (THIRD PARTY BOND)

Coverage is extended to provide for theft of a clients' property by an employee (or employees) of the Insured.

FRAUDULENTLY INDUCED TRANSFER COVERAGE

Coverage is provided when an Insured under the policy has been intentionally misled by someone claiming to be a vendor, client or another employee of the company and the Insured has transferred, paid or delivered money or securities to this third party.

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FRAUDULENTLY INDUCED TRANSFER COVERAGE HIGHLIGHTS (SOCIAL ENGINEERING)

OVERVIEW

Fraud today has become much more sophisticated and complex with Fraudulently Induced Transfer Crimes (otherwise known as Social Engineering) trending in today's marketplace. In response to this trend we now offer a Fraudulently Induced Transfer Endorsement as part of our suite of Crime Coverage.

These types of crimes are usually a targeted approach where criminals are after something definite from the target, either money (usually in the form of a wire transfer) or information (such as a list of vendors, routing numbers, etc.). Often times communications are sent to an employee (most often via email, telephone or a combination of the two), which are doctored to appear as if they are sent by a senior officer of the company or by one of its customers or vendors. Essentially criminals prey on human and procedural vulnerabilities. The standard crime coverage does not respond to these types of losses as an employee of the organization has voluntarily parted with the money or securities and would be considered an active participant in the loss.

Example 1

Instructions to an employee supposedly coming from a vendor or customer are often accomplished by informing the employee that they have changed banks and require the company to use the new banking information for future payments.

Example 2

Instructions to an employee supposedly coming from an internal source (e.g. senior staff) to bypass in-house safeguards and redundancies, criminals apply pressure by imposing a time constraint, demanding secrecy or simply flattering the ego of the target by including him or her "in" on an important business transaction.

Fraudulently Induced Transfer coverage is an optional endorsement that may be purchased. Coverage is subject to a satisfactory supplementary application being completed.

FRAUDULENTLY INDUCED TRANSFER LOSSES, CYBER LOSSES AND CURRENT CRIME POLICIES

Even though this fraud often involves emails and wire transfers, cyber policies are not designed to cover them:

- Cyber policies cover losses that result from unauthorized data breaches or system failures. Fraudulently Induced Transfer actually depends on these systems working correctly in order to communicate with an organization's employees and transfer information or funds.
- Crime policies cover losses that result from theft, fraud or deception. As the underlying cause of a loss is 'fraud', a company would claim a loss under its crime policy rather than its cyber policy. Without this endorsement, coverage would be denied under a crime policy due to the Voluntary Parting Exclusion.

FRAUDULENTLY INDUCED TRANSFER ENDORSEMENT FEATURES

- Coverage is provided when an Insured under the policy has been intentionally misled by someone claiming to be a vendor, client or another employee of the company and the Insured (employee) has transferred, paid or delivered money or securities to this third party.
- Fraudulently Induced Transfer is defined as: The intentional misleading of an employee, through misrepresentation of a material fact which is relied upon by an employee, believing it to be genuine to voluntarily transfer funds or valuable information to an unintended third party.

LIMITS AND DEDUCTIBLE

The Fraudulently Induced Transfer Endorsement is subject to:

- Separate Limits of Insurance (both an Occurrence and Aggregate);
- A separate deductible;
- Limits ranging from \$10,000 - \$100,000.

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EQUIPMENT BREAKDOWN TECHADVANTAGE HIGHLIGHTS

OVERVIEW

Property policies typically exclude losses that Equipment Breakdown Insurance is designed to cover. Equipment Breakdown Coverage insures against losses (property damage and business interruption) resulting from 'accidents' (as defined in the wording) to various types of equipment such as pressure, mechanical, electrical and pressure equipment (called "objects" in the policy). Coverage also extends to electronic equipment for 'electronic circuitry impairment'. Coverage typically extends to production machinery unless specifically excluded.

FEATURES

Coverage is extended to pay for:

Property Damage: The cost to repair or replace damaged equipment or other covered property, including computers, due to a covered accident.

Business Income: The loss of business income due to an interruption caused by a covered accident from the date of loss until such equipment is repaired or replaced or could have been repaired or replaced plus additional time to allow your business to become fully operational.

Extra Expense: Additional costs (e.g., equipment rental) you incur after a covered loss to maintain normal operations.

Expediting Expenses: The cost of temporary repairs or to expedite permanent repairs to restore business operations.

Service Interruption: Business income and extra expense resulting from a breakdown of equipment owned by a supplier with whom the Insured has a contract to supply a service. If there is no contract, the equipment must be within 1000 metres of the location.

Data Restoration: The restoration of data that is lost or damaged due to a covered loss.

Demolition: Building demolition and rebuilding required by building laws.

Ordinance or law: The additional costs (other than demolition) to comply with building laws or codes.

Other Coverage: Spoilage, Hazardous Substances, Ammonia, Water damage, Professional Fees, Errors and Omissions, Newly Acquired Locations, Civil Authority or Denial of Access.

COVERAGE AUTOMATICALLY INCLUDES:

Microelectronics Coverage: Provides insurance when physical damage is not detectable or when firmware or software failure causes non-physical damage. Triggered when covered equipment suddenly stops functioning as it had been and that equipment or a part containing electronic circuitry must be replaced.

Cloud Computing – Service Interruption: Pays for business interruption and extra expense when your cloud computing service provider experiences an outage due to an equipment breakdown.

Cloud Computing – Data Restoration: Pays for data restoration for data lost when stored and managed by a cloud computing service provider that experiences an equipment breakdown.

Off Premises Transportable Objects: Extends coverage to transportable equipment anywhere in North America.

Anchor Location: (when business income coverage is purchased) expands Business Income coverage resulting from a covered accident at an anchor location that attracts customers to an insured location.

Environmental Efficiency and Green Coverage: Pays for upgrades to more energy efficient or environmentally friendly equipment.

Brands and Labels: Pays for the cost of removing labels or additional cost of stamping salvaged merchandise after a loss.

OTHER BENEFITS

Public Relations Coverage: (when business income coverage is purchased other than extra expense) pays for public relations assistance to help manage your reputation that may be damaged by business interruption or data loss.

Contingent Business Interruption: (when business income coverage is purchased other than extra expense) pays for Business Income resulting from a covered accident to property not owned, operated or controlled by the Insured.

OPTIONAL COVERAGE

The coverage is included only if specified limits of insurance are shown on the Schedule of Coverage. A quote may be available (a completed application may be required).

Data Compromise Coverage: Up to \$50,000 (Annual Aggregate) for an Insured affected by a data breach. When a data breach occurs involving personal identifying information (information not typically available to the public) coverage includes expenses you incur for:

- Legal Counsel: to determine how you should best respond to the breach.
- Forensic Services: to help assess the nature and extent of the compromise.
- Regulatory Notification: to provide notification to the Office of the Privacy Commissioner of Canada.
- Notification and Services to Affected Individuals: a packet of customer support information, access to a helpline, fraud alert for the affected individuals, identity restoration case management for victims of identity theft caused by the breach.
- Public Relations Services: to assist in restoring your reputation.

Identity Recovery Coverage: Up to \$15,000 (Annual Aggregate) for an Insured affected by identity theft. Coverage applies to an Insured that is a sole proprietor, a partner if the Insured is a partnership, a chief executive in a corporation or a senior ministerial employee for religious institutions. Coverage is provided for various additional and unexpected expenses an individual will sustain due to an identity theft such as: costs for credit reports, lost wages, costs for the supervision of children, elderly or infirm dependents.

ADDITIONAL INFORMATION

BI&I automatically provide inspection services for boilers and pressure vessels to satisfy the provincial inspection requirements on our behalf.

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REMOTELY PILOTED AIRCRAFT SYSTEMS (UAV) COVERAGE HIGHLIGHTS

OVERVIEW

Transport Canada is responsible for regulating UAV's. Their terminology for UAV's (Unmanned Aerial Vehicles) has changed and these are now considered to be Remotely Piloted Aircraft Systems (RPAS) rather than UAV's (Unmanned Aerial Vehicles). Regulations regarding operator licensing has also changed.

Liability or property policies can be enhanced with endorsements to cover Remotely Piloted Aircraft Systems (RPAS) or UAV's. Coverage may be available when operators are in compliance with current regulations.

Coverage offered is intended to close the gap in liability and property insurance because of aviation exclusions.

PROPERTY COVERAGE

Property: (Optional Coverage)

- All Risk Coverage for the Remotely Piloted Aircraft Systems (RPAS) including all permanently attached equipment and Ground or Operating Equipment (including any detachable equipment such as cameras etc).
- Coverage includes electrical and mechanical breakdown.
- Basis of settlement options include: Replacement Cost, Valued Amount or Actual Cash Value.

In addition to the standard exclusions within the Property All Risk Wording, the following exclusions also apply:

- Those used for military purposes, personal or recreational use.
- Those being rented to, leased to or lent to others.
- Mysterious disappearance after commencement of a flight unless Remotely Piloted Aircraft Systems - RPAS (UAV) remains unrecovered for 30 days.
- If they are not in compliance with the manufacturer's specifications (e.g. the weight payload) is exceeded, when operated in wind at a higher speed than recommended etc.).
- Remotely Piloted Aircraft Systems - RPAS (UAV's) must not exceed 500 meters in altitude or the range of 1km from the operator.
- Hijacking or unauthorized control of the Remotely Piloted Aircraft Systems -RPAS (UAV) or Equipment.
- Failure to comply with any statute, permit, rule, regulation or any requirement for qualification to operate the Remotely Piloted Aircraft Systems - RPAS (UAV) or the equipment.
- Criminal or dishonest acts, infidelity of employees, or theft from an unlocked vehicle.
- Coverage is limited to Canada only.

LIABILITY COVERAGE

- While Transport Canada mandates a minimum amount of insurance (\$100,000), coverage will follow the liability limit up to \$15,000,000. Higher limits may be available.
- We will extend liability to Remotely Piloted Aircraft Systems (RPAS).
- Having a range of up to a maximum of 1km from the operator.
- With an altitude of 500 metres or less.
- Operators meeting all Transport Canada regulations.
- Not being used for military purposes, personal or recreational use.
- Coverage is limited to Canada only.

IMPORTANT INFORMATION

While our endorsements are primarily designed to offer coverage for Remotely Piloted Aircraft Systems - RPAS (UAV's) 25kg or less, we may be able to offer coverage for those falling outside of these parameters through our general aviation market.

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EXHIBIT "A"

Estimate of Values

The information contained herein is confidential, commercial, financial, scientific and/or technical information that is proprietary to Frank Cowan Company and cannot be disclosed to others. Any such disclosure could reasonably be expected to result in significant prejudice to the competitive position of Frank Cowan Company, significant interference with its competitive position and/or cause it undue loss.



Cyber

Private enterprise

Policy document

Canada

PREAMBLE

IMPORTANT: COVERAGE TRIGGERS. It is important for **you** to review this Policy carefully as the trigger for coverage, including when **you** must notify **us** of a claim, under each Section and Insuring Clause may differ.

This Policy is a contract of insurance between **you** and **us**. **Your** Policy contains all the details of the cover that **we** provide. This Policy consists of and must be read together with the Declarations page and any Endorsements. This Policy is not complete unless it is signed and a Declarations page is attached.

The sections of this Policy are identified by the blue lines across the page with white upper case print, these are for information purposes only and do not form part of the cover given by this Policy. Terms in bold upper case print are references to specific Insuring Clauses, Sections or Conditions. Other terms in bold lower case print are defined terms and have a special meaning as set forth in the Definitions section and elsewhere. Words stated in the singular will include the plural and vice versa. However, this protocol does not apply to the Statutory Conditions and subsequent Sections.

In consideration of the **premium** and in reliance upon the information that **you** have provided to **us** prior to the commencement of this insurance, **we** agree to provide the cover as set out below:

INSURING CLAUSES

INSURING CLAUSE 1: CYBER INCIDENT RESPONSE

SECTION A: INCIDENT RESPONSE COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred by **you**, or on **your** behalf, as a direct result of a **cyber event** first discovered by **you** during the **period of the policy** to:

- a. gain access to **our 24/7 cyber incident response line**;
- b. engage with **our cyber incident manager** who will coordinate the initial response;
- c. obtain initial advice and consultancy from **our cyber incident manager**, including threat intelligence in relation to the **cyber event**; and
- d. obtain initial remote support and assistance from **our cyber incident manager** to respond to the **cyber event**.

SECTION B: LEGAL AND REGULATORY COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred by **you**, or on **your** behalf, as a direct result of a **cyber event** first discovered by **you** during the **period of the policy** to:

- a. obtain legal advice to determine the correct course of action;

- b. draft **privacy breach** notification letters, substitute notices, website notices or e-mail notification templates;
- c. notify any appropriate governmental, regulatory, law enforcement, professional or statutory body;
- d. respond to any **regulatory investigation**; and
- e. defend any regulatory action.

SECTION C: IT SECURITY AND FORENSIC COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred by **you**, or on **your** behalf, as a direct result of a **cyber event** first discovered by **you** during the **period of the policy** to:

- a. engage with an external IT security consultant to identify the source and scope of the **cyber event**;
- b. obtain initial advice to remediate the impact of the **cyber event**;
- c. conduct a forensic investigation of **your computer systems** where reasonable and necessary or as required by law or a regulatory body (including a requirement for a PCI Forensic Investigator);
- d. contain and remove any malware discovered on **your computer systems**; and
- e. engage with an IT security consultant to provide expert witness testimony at any trial or hearing arising from the **cyber event**.

SECTION D: CRISIS COMMUNICATION COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred by **you**, or on **your** behalf, as a direct result of a **cyber event** first discovered by **you** during the **period of the policy** to:

- a. engage with a crisis communications consultant to obtain specific advice in direct relation to the **cyber event**;
- b. coordinate media relations in response to the **cyber event**;
- c. receive training for relevant spokespeople with respect to media communications in direct relation to the **cyber event**; and
- d. formulate a crisis communications plan in order to reduce damage to **your** brand and reputation as a direct result of the **cyber event**.

SECTION E: PRIVACY BREACH MANAGEMENT COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred by **you**, or on **your** behalf, as a direct result of a **cyber event** first discovered during the **period of the policy** to:

- a. print and post appropriate notices for any individual affected by the actual or suspected **cyber event** or to send e-mail notices or issue substitute notices;
- b. provide credit monitoring services, identity monitoring services, identity restoration services or identity theft insurance to affected individuals;
- c. set up a call centre to manage inbound and outbound calls in direct relation to the **cyber event**; and

- d. provide translation services to manage communications with affected individuals.

SECTION F: THIRD PARTY PRIVACY BREACH MANAGEMENT COSTS

We agree to pay on behalf of any **third party** any reasonable sums necessarily incurred as a direct result of a **cyber event** first discovered by **you** during the **period of the policy** to:

- a. print and post appropriate notices for any individual affected by the actual or suspected **cyber event** or to send e-mail notices or issue substitute notices;
- b. provide credit monitoring services, identity monitoring services, identity restoration services or identity theft insurance to affected individuals;
- c. set up a call centre to manage inbound and outbound calls in direct relation to the **cyber event**; and
- d. provide translation services to manage communications with affected individuals;

provided that **you** have contractually indemnified the **third party** against this **cyber event** and they have a legal obligation to notify affected individuals.

SECTION G: POST BREACH REMEDIATION COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred by **you**, or on **your** behalf, with **our cyber incident manager** following a **cyber event** covered under **INSURING CLAUSE 1 (SECTIONS A, B, C, D, E and F only)** for the following services in order to mitigate the potential of a future **cyber event**:

- a. complete an information security risk assessment;
- b. conduct an information security gap analysis;
- c. develop an information security document set; and
- d. deliver an information security awareness training session.

INSURING CLAUSE 2: CYBER CRIME

SECTION A: FUNDS TRANSFER FRAUD

We agree to reimburse **you** for **loss** first discovered by **you** during the **period of the policy** as a direct result of any **third party** committing:

- a. any unauthorized electronic transfer of funds from **your** bank;
- b. theft of money or other financial assets from **your** bank by electronic means;
- c. theft of money or other financial assets from **your** corporate credit cards by electronic means; or
- d. any phishing, vishing or other social engineering attack against any **employee** or **senior executive officer** that results in the transfer of **your** funds to an unintended **third party**.

SECTION B: THEFT OF FUNDS HELD IN ESCROW

We agree to reimburse **you** for **loss** (including compensation **you** are required to pay) first discovered by **you** during the **period of the policy** as a direct result of **you** having to reimburse

any **third party** for theft, committed by a **third party** by electronic means, of their money or other financial assets from a bank account held by **you** on their behalf.

SECTION C: THEFT OF PERSONAL FUNDS

We agree to reimburse any **senior executive officer** for personal financial loss first discovered by them during the **period of the policy** as a direct result of any **third party** compromising the **company's** network security which results in:

- a. theft of money or other financial assets from a personal bank account of the **senior executive officer**; or
- b. identity theft of the **senior executive officer** as a result of a **privacy breach** suffered by **you**.

SECTION D: EXTORTION

We agree to reimburse **you** for any ransom paid by **you**, or on **your** behalf, in response to an extortion demand first discovered by **you** during the **period of the policy** as a direct result of any threat to:

- a. introduce malware, or the actual introduction of malware, including Ransomware, into **your computer systems**;
- b. prevent access to **your computer systems** or data or any **third party** systems hosting **your** applications or data;
- c. reveal **your** confidential information or confidential information entrusted to **you**; or
- d. damage **your** brand or reputation by posting false or misleading comments about **you** on social media sites.

SECTION E: CORPORATE IDENTITY THEFT

We agree to reimburse **you** for **loss** first discovered by **you** during the **period of the policy** arising as a direct result of the fraudulent use or misuse of **your** electronic identity including the establishment of credit in **your** name, the electronic signing of any contract, the creation of any website designed to impersonate **you** or the reliance by any **third party** on a fraudulent version of **your** digital identity.

SECTION F: TELEPHONE HACKING

We agree to reimburse **you** for **loss** first discovered by **you** during the **period of the policy** as a direct result of **your** telephone system being hacked by a **third party** including the cost of unauthorised calls or unauthorised use of **your** bandwidth.

SECTION G: PUSH PAYMENT FRAUD

We agree to reimburse **you** in the event of fraudulent electronic communications or websites designed to impersonate **you** or any of **your** products first discovered by **you** during the **period of the policy**, for:

- a. the cost of creating and issuing a specific press release or establishing a specific website to advise **your** customers and prospective customers of the fraudulent communications; and
- b. the cost of reimbursing **your** existing customers for their financial loss arising directly from the fraudulent communications, including fraudulent invoices manipulated to impersonate **you**; and
- c. **your income loss** sustained following **your** discovery of the fraudulent communications as a direct result of the fraudulent communications; and
- d. external costs associated with the removal of websites designed to impersonate **you**.

SECTION H: UNAUTHORISED USE OF COMPUTER RESOURCES

We agree to reimburse **you** for **loss** first discovered by **you** during the **period of the policy** as a direct result of **cryptojacking** or **botnetting**.

INSURING CLAUSE 3: SYSTEM DAMAGE AND BUSINESS INTERRUPTION

SECTION A: SYSTEM DAMAGE AND RECTIFICATION COSTS

We agree to reimburse **you** for the additional cost of employing:

- a. contract staff or overtime costs for **employees** to rebuild **your** data, including the cost of data re-entry or data re-creation;
- b. specialist consultants, including IT forensic consultants, to recover **your** data or applications; and
- c. specialist consultants or overtime costs for **employees** working within **your** IT department to reconstitute **your computer systems** to the position they were in immediately prior to the **cyber event**;

reasonably and necessarily incurred as a direct result of a **cyber event** first discovered by **you** during the **period of the policy**.

SECTION B: INCOME LOSS AND EXTRA EXPENSE

We agree to reimburse **you** for **your income loss** and **extra expense** during the **indemnity period** as a direct result of an interruption to **your business operations** caused by **computer systems** downtime arising directly out of a **cyber event** or **system failure** which is first discovered by **you** during the **period of the policy**, provided that the **computer systems** downtime lasts longer than the **waiting period**.

SECTION C: ADDITIONAL EXTRA EXPENSE

We agree to reimburse **you** for any reasonable sums necessarily incurred during the **indemnity period** that are in addition to **your** normal operating expenses and the **extra expense** recoverable under **INSURING CLAUSE 3 (SECTION B only)**:

- a. to source **your** products or services from alternative sources in order to meet contractual obligations to supply **your** customers;

- b. to employ contract staff or overtime costs for **employees** in order to continue **your business operations**;
- c. to employ specialist consultants, including IT forensic consultants to diagnose the source of the **computer systems** downtime; and
- d. for **employees** working overtime within **your** IT department to diagnose and fix the source of the **computer systems** downtime;

to mitigate an interruption to **your business operations** caused by **computer systems** downtime arising directly out of a **cyber event** or **system failure** which is first discovered by **you** during the **period of the policy**, provided that the **computer systems** downtime lasts longer than the **waiting period**.

SECTION D: DEPENDENT BUSINESS INTERRUPTION

We agree to reimburse **you** for **your income loss** and **extra expense** sustained during the **indemnity period** as a direct result of an interruption to **your business operations** arising directly out of any sudden, unexpected and continuous outage of computer systems used directly by a **supply chain partner** which is first discovered by **you** during the **period of the policy**, provided that the computer systems downtime lasts longer than the **waiting period** and arises directly out of any **cyber event** or **system failure**.

SECTION E: CONSEQUENTIAL REPUTATIONAL HARM

We agree to reimburse **you** for **your income loss** sustained during the **reputational harm period** as a direct result of the loss of current or future customers caused by damage to **your** reputation as a result of a **cyber event** first discovered by **you** during the **period of the policy**.

SECTION F: CLAIM PREPARATION COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred to determine the amount of **your income loss** sustained following an interruption to **your business operations** covered under **INSURING CLAUSE 3 (SECTIONS A, B, C, D and E only)**. We will only pay these costs where they are incurred with an independent expert appointed by the **cyber incident manager**.

SECTION G: HARDWARE REPLACEMENT COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred to replace any computer hardware or tangible equipment forming part of **your computer systems** that have been damaged as a direct result of a **cyber event** first discovered by **you** during the **period of the policy**, provided that replacing the computer hardware or tangible equipment is a more time efficient and cost effective solution than installing new firmware or software onto **your** existing hardware.

INSURING CLAUSE 4: NETWORK SECURITY & PRIVACY LIABILITY

SECTION A: NETWORK SECURITY LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including the establishment of any consumer redress fund and associated expenses) as a result of any **claim** arising out of a **cyber event** first discovered by **you** during the **period of the policy** that results in:

- a. the transmission of malware to a **third party's** computer system;
- b. **your computer systems** being used to carry out a denial of service attack;
- c. **your** failure to prevent unauthorised access to information stored or applications hosted on **your computer systems** or a **third party's** computer systems; and
- d. identity theft, experienced by **your employees, senior executive officers** or any **third party**.

We will also pay **costs and expenses** on **your** behalf.

SECTION B: PRIVACY LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including the establishment of any consumer redress fund and associated expenses) as a result of any **claim** arising out of a **cyber event** first discovered by **you** during the **period of the policy** that results in:

- a. an actual or suspected disclosure of or unauthorized access to any Personally Identifiable Information (PII), including payment card information or Protected Health Information (PHI);
- b. **your** failure to adequately warn affected individuals of a **privacy breach**, including the failure to provide a data breach notification in a timely manner;
- c. a breach of any rights of confidentiality as a direct result of **your** failure to maintain the confidentiality of any data pertaining to an **employee** or a **senior executive officer**;
- d. a breach of any rights of confidentiality, including a breach of any provisions of a non-disclosure agreement or breach of a contractual warranty relating to the confidentiality of commercial information, PII, or PHI;
- e. a breach of any part of **your** privacy policy; or
- f. actual or suspected disclosure of or unauthorized access to **your** data or data for which **you** are responsible.

We will also pay **costs and expenses** on **your** behalf.

SECTION C: MANAGEMENT LIABILITY

We agree to pay on behalf of any **senior executive officer** all sums they become legally obliged to pay as a result of any **claim** made against them arising directly out of a **cyber event** first discovered by **you** during the **period of the policy**.

We will also pay **costs and expenses** on behalf of **your senior executive officers**.

However, **we** will not make any payment under this Section for which the **senior executive officer** is entitled to indemnity under any other insurance, except for any additional sum which is payable over and above the other insurance.

SECTION D: REGULATORY FINES

We agree to pay on **your** behalf any fines and penalties resulting from a **regulatory investigation** arising as a direct result of a **cyber event** first discovered by **you** during the **period of the policy**.

We will also pay **costs and expenses** on **your** behalf.

SECTION E: PCI FINES, PENALTIES AND ASSESSMENTS

We agree to pay on **your** behalf any fines, penalties and card brand assessments including fraud recoveries, operational reimbursements, non-cooperation costs and case management fees which **you** become legally obliged to pay **your** acquiring bank or payment processor as a direct result of a **payment card breach** first discovered by **you** during the **period of the policy**.

We will also pay **costs and expenses** on **your** behalf.

INSURING CLAUSE 5: MEDIA LIABILITY

SECTION A: DEFAMATION

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** during the **period of the policy** for any:

- a. defamation, including but not limited to libel, slander, trade libel, product disparagement and injurious falsehood; or
- b. emotional distress or outrage based on harm to the character or reputation of any person or entity;

arising out of any **media content**.

We will also pay **costs and expenses** on **your** behalf.

SECTION B: INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** during the **period of the policy** for any:

- a. infringement of any intellectual property rights, including, but not limited to, copyright, trademark, trade dilution, trade dress, commercial rights, design rights, domain name rights, image rights, moral rights, service mark or service name, but not including patent;
- b. act of passing-off, piracy or plagiarism or any misappropriation of content, concepts, format rights or ideas or breach of a contractual warranty relating to intellectual property rights;

- c. breach of any intellectual property rights license acquired by **you**; or
- d. failure to attribute authorship or provide credit;

arising out of any **media content**.

We will also pay **costs and expenses** on **your** behalf.

INSURING CLAUSE 6: TECHNOLOGY ERRORS AND OMISSIONS

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' **costs and expenses**) as a result of any **claim** first made against **you** during the **period of the policy** arising out of any act, error, omission or breach of contract in the provision of **your technology services**.

We will also pay **costs and expenses** on **your** behalf.

INSURING CLAUSE 7: COURT ATTENDANCE COSTS

We agree to reimburse **you** for any reasonable sums necessarily incurred by **you** with **our** prior written agreement (which will not be unreasonably withheld) to attend court or any tribunal, arbitration, adjudication, mediation or other hearing in connection with any claim for which **you** are entitled to indemnity under this Policy.

HOW MUCH WE WILL PAY

YOUR MAXIMUM LIMITS UNDER THIS POLICY

The maximum amount payable by **us** under this Policy for any one claim or series of related claims is the **policy limit** plus the **incident response limit**.

The maximum amount payable by **us** under any Insuring Clause for any one claim or series of related claims is the amount shown as the limit in the Declarations page for that Insuring Clause.

The maximum amount payable by **us** under any Section for any one claim or series of related claims is the amount shown as the limit in the Declarations page for that Section.

YOUR MAXIMUM LIMIT FOR RELATED INCIDENTS

Where more than one claim arises from the same original cause or single source or event, all of those claims will be deemed to be one claim and only one **policy limit** and one **incident response limit** will apply in respect of that claim.

In the event that cover is provided under multiple Insuring Clauses or multiple Sections for any one claim, only one **policy limit** and one **incident response limit** will apply in total for that claim.

YOUR AGGREGATE LIMIT FOR LIABILITY CLAIMS

In respect of **INSURING CLAUSES 4, 5, 6 and 7**, the maximum amount payable under this Policy in total aggregate will be the **policy limit**.

In respect of **INSURING CLAUSES 4, 5, 6 and 7**, we may at any time pay to **you** in connection with any **claim** the amount of the **policy limit** (after deduction of any amounts already paid). Upon that payment being made we will relinquish the conduct and control of the **claim** and be under no further liability in connection with that **claim** except for the payment of **costs and expenses** incurred prior to the date of such payment (unless the **policy limit** is stated to be inclusive of **costs and expenses**).

If **costs and expenses** are stated in the Declarations page to be in addition to the **policy limit** plus the **incident response limit**, or if the operation of local laws require **costs and expenses** to be paid in addition to the **policy limit** plus the **incident response limit**, and if a damages payment in excess of the **policy limit** plus the **incident response limit** has to be made to dispose of any **claim**, our liability for **costs and expenses** will be in the same proportion as the **policy limit** plus the **incident response limit** bears to the total amount of the damages payment.

YOUR DEDUCTIBLE

We will only be liable for that part of each and every claim which exceeds the amount of the **deductible**. If any expenditure is incurred by **us** which falls within the amount of the **deductible**, then **you** will reimburse that amount to **us** upon **our** request.

Where more than one claim arises from the same original cause or single source or event all of those claims will be deemed to be one claim and only one **deductible** will apply.

In respect of **INSURING CLAUSE 3 (SECTION B and D only)**, a single **waiting period**, **deductible** and **indemnity period** will apply to each claim. Where the same original cause or single source or event causes more than one period of computer systems downtime these will be considered one period of computer systems downtime whose total duration is equal to the cumulative duration of each individual period of computer systems downtime.

Where cover is provided under multiple Sections or multiple Insuring Clauses only one **deductible** will apply to that claim and this will be the highest **deductible** of the Sections under which cover is provided.

DEFINITIONS

1. "Approved claims panel providers" means
the approved claims panel providers stated in the declarations page.

2. "**Botnetting**" means

the unauthorised use of **your computer systems** by a **third party** for the purpose of launching a denial of service attack or hacking attack against another **third party**.

3. "**Business operations**" means

the business operations stated in the Declarations page.

4. "**Claim**" means

- a. a written demand for compensation;
- b. a written request for a retraction or a correction;
- c. a threat or initiation of a lawsuit; or
- d. a disciplinary action or **regulatory investigation**.

made against **you**.

5. "**Client**" means

any **third party** with whom **you** have a contract in place for the supply of **your** business services in return for a fee, or where a fee would normally be expected to be paid.

6. "**Company**" means

the company named as the Insured in the Declarations page or any **subsidiary**.

7. "**Computer systems**" means

all electronic computers used directly by **you**, including operating systems, software, hardware and all communication and open system networks and any data or websites wheresoever hosted, off-line media libraries and data back-ups and mobile devices including but not limited to smartphones, iPhones, tablets or personal digital assistants.

8. "**Continuity date**" means

the **inception date** or if **you** have maintained uninterrupted insurance of the same type with **us**, the date this insurance was first incepted with **us**.

9. "**Costs and expenses**" means

- a. **third party** legal and professional expenses (including disbursements) reasonably incurred in the defence of **claims** or circumstances which could reasonably be expected to give rise to a **claim** or in quashing or challenging the scope of any injunction, subpoena or witness summons;
- b. any post judgment interest; and
- c. the cost of appeal, attachment and similar bonds including bail and penal bonds.

Subject to all **costs and expenses** being incurred with the **cyber incident manager's** prior written agreement.

10. **"Cryptojacking"** means
the unauthorised use of **your computer systems** by a **third party** for the sole purpose of cryptocurrency mining activities.
11. **"Cyber event"** means
any actual or suspected unauthorised system access, electronic attack or **privacy breach**, including denial of service attack, cyber terrorism, hacking attack, Trojan horse, phishing attack, man-in-the-middle attack, application-layer attack, compromised key attack, malware infection (including spyware or Ransomware) or computer virus.
- Cyber event** does not mean **system failure**.
12. **"Cyber incident manager"** means
the company or individual named as the cyber incident manager in the Declarations page.
13. **"Cyber incident response line"** means
the telephone number stated as the cyber incident response line in the Declarations page.
14. **"Deductible"** means
the amount stated as the deductible in the Declarations page.
15. **"Employee"** means
any employee of the **company**, any volunteer working for the **company** and any individual working for the **company** as an independent contractor.
- "Employee"** does not mean any **senior executive officer**.
16. **"Expiry date"** means
the expiry date stated in the Declarations page.
17. **"Extra expense"** means
your reasonable sums necessarily incurred in addition to **your** normal operating expenses to mitigate an interruption to and continue **your business operations**, provided that the costs are less than **your** expected **income loss** sustained had these measures not been taken.
18. **"Inception date"** means
the inception date stated in the Declarations page.
19. **"Incident response limit"** means
the highest individual limit available where cover is applicable under **INSURING CLAUSE 1** as stated in the Declarations page.

20. "Income loss" means

your income that, had the **cyber event** or **system failure** which gave rise to the claim not occurred, would have been generated directly from **your business operations** (less sales tax) during the **indemnity period** or **reputational harm period**, less:

- a. actual income (less sales tax) generated directly from **your business operations** during the **indemnity period** or **reputational harm period**; and
- b. any cost savings achieved as a direct result of the reduction in income.

21. "Indemnity period" means

the period starting from the first occurrence of:

- a. the **computer systems** downtime; or
- b. the downtime of computer systems used directly by a **supply chain partner**;

and lasting for the period stated as the indemnity period in the Declarations page.

22. "Loss" means

any direct financial loss sustained by the **company**.

23. "Media content" means

any content created or disseminated by **you** or on **your** behalf, including but not limited to content disseminated through books, magazines, brochures, social media, billboards, websites, mobile applications, television and radio.

"Media content" does not include any:

- a. tangible product design;
- b. industrial design;
- c. architectural or building services;
- d. any advertisement created by **you** for a **third party**;
- e. business, company, product or trading name;
- f. product packaging or labelling; or
- g. software products.

24. "Payment card breach" means

an actual or suspected unauthorised disclosure of payment card data stored or processed by **you** arising out of an electronic attack, accidental disclosure or the deliberate actions of a rogue **employee**.

"Payment card breach" does not mean a situation where payment card data is deliberately shared with or sold to a **third party** with the knowledge and consent of a **senior executive officer**.

25. **"Period of the policy"** means
the period between the **inception date** and the **expiry date** or until the Policy is canceled in accordance with **CONDITION 5**
26. **"Policy limit"** means
the highest individual limit available where cover is applicable under any Insuring Clause or Section as stated in the Declarations page.
27. **"Premium"** means
the amount stated as the premium in the Declarations page and any subsequent adjustments.
28. **"Privacy breach"** means
an actual or suspected unauthorised disclosure of information arising out of an electronic attack, accidental disclosure, theft or the deliberate actions of a rogue **employee** or **third party**.
- "Privacy breach"** does not mean a situation where information is deliberately shared with or sold to a **third party** with the knowledge and consent of a **senior executive officer**.
29. **"Regulatory investigation"** means
a formal hearing, official investigation, examination, inquiry, legal action or any other similar proceeding initiated by a governmental, regulatory, law enforcement, professional or statutory body against **you**.
30. **"Reputational harm period"** means
the period starting from when the **cyber event** is first discovered and lasting for the period stated as the reputational harm period in the Declarations page.
31. **"Senior executive officer"** means
board members, C-level executives, in-house lawyers and risk managers of the **company**.
32. **"Subsidiary"** means
any entity in which the **company** has majority ownership of on or before the **inception date**.
33. **"Supply chain partner"** means
any:
 - a. **third party** that provides **you** with hosted computing services including infrastructure, platform, file storage and application level services; or
 - b. **third party** listed as a supply chain partner in an endorsement attaching to this policy which **we** have issued.

34. "System failure" means

any sudden, unexpected and continuous downtime of **your computer systems** which renders them incapable of supporting their normal business function and is caused by an application bug, an internal network failure or hardware failure.

However, in respect of **INSURING CLAUSE 3 (SECTION D only)**, **system failure** also means any sudden, unexpected and continuous downtime of computer systems used directly by a **supply chain partner** which renders them incapable of supporting their normal business function and is caused by an application bug, an internal network failure or hardware failure.

System failure does not mean a **cyber event**.

35. "Technology services" means

means the supply by **you** of technology services to **your client**, including but not limited to hardware, software, data processing, internet services, data and application hosting, computer systems analysis, consulting, training, programming, installation, integration, support and network management.

36. "Third party" means

any person who is not an **employee** or any legal entity that is not the **company**.

37. "Waiting period" means

the number of hours stated as the waiting period in the Declarations page.

38. "We/our/us" means

the underwriters stated in the Declarations page.

39. "You/your" means

the **company**, **employees** and **senior executive officers** solely acting in the normal course of the **company's business operations**.

EXCLUSIONS

We will not make any payment under this Policy:

EXCLUSIONS RELATING TO SYSTEM DAMAGE AND BUSINESS INTERRUPTION

In respect of **INSURING CLAUSE 3** only:

1. **Business interruption liability**

for that part of any **claim** that constitutes actual or alleged liability to a **third party**, or legal costs in the defence of any **claim**, including customer compensation.

EXCLUSIONS RELATING TO ALL INSURING CLAUSES

2. Antitrust

in respect of **INSURING CLAUSES 5** and **6**, for or arising out of any actual or alleged antitrust violation, restraint of trade, unfair competition, false, deceptive or unfair trade practices, violation of consumer protection laws or false or deceptive advertising.

3. Associated companies

- a. in respect of any **claim** made by any company, firm or partnership in which the **company** has greater than a 10% executive or financial interest, unless the **claim** emanates from an independent **third party**;
- b. in respect of any **claim** made by any company, firm, partnership or individual which has greater than a 10% executive or financial interest in the **company**, unless the **claim** emanates from an independent **third party**;
- c. arising out of or resulting from any of **your** activities as a trustee, partner, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than that of the **company**; or
- d. in respect of any **claim** made by or on behalf of the **company** against a **third party**.

4. Betterment

which results in **you** being in a better financial position or **you** benefitting from upgraded versions of **your computer systems** as a direct result of the event which gave rise to the claim under this policy.

However, in the event of a hacking attack, malware infection or computer virus, when rebuilding **your computer systems** we will pay the additional costs and expenses incurred to install a more secure and efficient version of the affected **computer system**, provided that the maximum amount we will pay is 25% more than the cost that would have been incurred to repair or replace the original model or license. Under no circumstances will we pay the cost of acquiring or installing **computer systems** which did not form a part of **your computer systems** immediately prior to the incident which gave rise to the claim.

This Exclusion will not apply to **INSURING CLAUSES 1 (SECTION G only)** and **3 (SECTION G only)**.

5. Bodily injury and property damage

arising directly or indirectly out of bodily injury, or tangible property damage.

However, this Exclusion will not apply to **INSURING CLAUSES 4 (SECTIONS A, B and C only)** and **5** for any **claim** as a direct result of mental injury or emotional distress.

6. Chargebacks

for any credit card company or bank, wholly or partially, reversing or preventing a payment transaction, unless specifically covered under **INSURING CLAUSE 4 (SECTION E only)** for which **you** have purchased coverage.

7. Core internet infrastructure failure

arising directly from a failure, material degradation or termination of any core element of the internet, telecommunications or GPS infrastructure that results in a regional, countrywide or global outage of the internet or core telecommunications network, including a failure of the core DNS root servers, satellite network or the IP addressing system or an individual state or non-state actor turning off all or part of the internet.

8. Domain name suspension or revocation

arising directly or indirectly from the suspension, cancellation, revocation or failure to renew any of **your** domain names or uniform resource locators.

9. Insolvency

arising out of or relating directly or indirectly to **your** insolvency or bankruptcy, or the insolvency or bankruptcy of any **third party**. However, **your** insolvency will not relieve **us** of any of **our** legal obligations under this contract of insurance where this insolvency does not give rise to a claim under this Policy.

10. Known claims and circumstances

arising out of any actual or suspected **cyber event, claim** or circumstance which might give rise to a claim under this Policy of which a **senior executive officer** was aware of, or ought reasonably to have been aware of, prior to the **continuity date**, including any claim or circumstance notified to any other insurer.

11. Liquidated damages, service credits and penalty clauses

for liquidated damages or service credits, or arising out of penalty clauses unless **you** would have been liable in the absence of any contract stipulating the liquidated damages or service credits or penalty clauses.

12. Loss of economic value

for the reduction in economic or market value (including loss of potential future sales) of any of **your** intellectual property assets.

13. Management liability

for any sums that **your senior executive officers** become legally obliged to pay, including **costs and expenses**, as a result of any **claim** made against them arising out of a **cyber event**.

However, this Exclusion will not apply to **INSURING CLAUSE 4 (SECTION C only)**.

14. Misleading advertising

arising directly or indirectly from any advertisement, promotion or product description that is actually or alleged to be false or misleading.

15. Nuclear

arising directly or indirectly from or contributed to by:

- a. ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- b. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component.

16. Patent infringement

arising directly or indirectly out of the actual or alleged infringement of any patent or inducing the infringement of any patent.

17. Payment card industry related fines, penalties and assessments

for fines, penalties and card brand assessments, including fraud recoveries, operational reimbursements, non-cooperation costs and case management fees which **you** become legally obliged to pay **your** acquiring bank or payment processor as a direct result of a **payment card breach**.

However, this Exclusion will not apply to **INSURING CLAUSE 4 (SECTION E only)**.

18. Power and utility failure

arising directly or indirectly from any:

- a. failure in the power supply, including that caused by any surge or spike in voltage, electrical current or transferred energy; or
- b. failure, disruption or reduction in the supply of utilities, including but not limited to gas and water infrastructure or services.

19. Product IP infringement

arising directly or indirectly from the actual or alleged theft or misappropriation of any trade secret by an **employee** from a former employer of theirs or infringement of any intellectual property right by any product manufactured, designed, formulated, licensed, distributed, or sold by **you** or the misappropriation of any trade secret by **you** or a **third party**.

20. Professional liability

arising directly out of any negligent advice or professional services provided to a **client** for a fee except when arising directly from a **cyber event**.

However, this Exclusion will not apply to **INSURING CLAUSE 6**.

21. Property and hardware costs

for any tangible property repair or replacement including the cost of repairing any hardware or replacing any tangible property or equipment that forms part of **your computer systems**.

However, this Exclusion will not apply to **INSURING CLAUSE 3 (SECTION G only)**.

22. Regular hours staff costs

for contracted salary and bonus costs paid to **employees** or **senior executive officers**.

23. Sanctions

or will be deemed to provide any cover, to the extent that the provision of such payment or cover will expose **us** to any sanction, prohibition or restriction under the United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, Canada, the European Union, United Kingdom or United States of America.

24. Terrorism

arising directly or indirectly out of:

- a. any act or threat of force or violence by an individual or group, whether acting alone or on behalf of or in connection with any organization or government, committed for political, religious, ideological or similar purposes including the intention to influence any government or to put the public, or any section of the public, in fear; or
- b. any action taken in controlling, preventing, suppressing or in any way relating to a. above.

However, this Exclusion does not apply to a **cyber event** affecting **your computer systems** or a **supply chain partner's** computer systems.

25. Theft of funds held in escrow

for theft of money or other financial assets belonging to a **third party** from a bank account held by **you** on their behalf.

However, this Exclusion will not apply to **INSURING CLAUSE 2 (SECTION B only)**.

26. Uninsurable fines

for fines, penalties, civil or criminal sanctions or multiple, punitive or exemplary damages, unless insurable by law.

27. Unlawful surveillance

in respect of any actual or alleged eavesdropping, wiretapping, or unauthorized audio or video recording committed by **you** or by a **third party** on **your** behalf with the knowledge and consent of **your senior executive officers**.

28. Unsolicited communications

arising directly or indirectly from any actual or alleged violation of:

- a. the CAN-SPAM Act of 2003 or any subsequent amendments to that Act;
- b. the Telephone Consumer Protection Act (TCPA) of 1991 or any subsequent amendments to that Act; or
- c. any other law, regulation or statute relating to unsolicited communication, distribution, sending or transmitting of any communication via telephone or any other electronic or telecommunications device.

However, this Exclusion will not apply to **INSURING CLAUSE 4 (SECTION A only)**.

29. War

arising directly or indirectly out of:

- a. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war is declared or not), civil war, rebellion, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- b. any action taken in controlling, preventing, suppressing or in any way relating to a. above.

30. Wilful or dishonest acts of senior executive officers

arising directly or indirectly out of any wilful, criminal, malicious or dishonest act, error or omission by a **senior executive officer** as determined by final adjudication, arbitral tribunal or written admission.

CONDITIONS

1. What you must do if an incident takes place

If any **senior executive officer** becomes aware of any incident which may reasonably be expected to give rise to a claim under this Policy, **you** must:

- a. other than in accordance with **CONDITION 2**, notify the **cyber incident manager** as soon as is reasonably practicable and follow their directions. However, this notification must be made no later than the end of any applicable extended reporting period. A telephone call to **our cyber incident response line** or confirmed notification via **our** cyber incident response app will constitute notification to the **cyber incident manager**;
- b. in respect of **INSURING CLAUSE 2 (SECTIONS A, B and C only)**, report the incident to the appropriate law enforcement authorities; and
- c. in respect of **INSURING CLAUSES 4, 5 and 6**, not admit liability for or settle or make or promise any payment or incur any **costs and expenses** without **our** prior written agreement (which will not be unreasonably withheld).

Due to the nature of the coverage offered by this Policy, any unreasonable delay by **you** in notifying the **cyber incident manager** could lead to the size of the claim increasing or to **our** rights of recovery being restricted. **We** will not be liable for that portion of any claim that is due to any unreasonable delay in **you** notifying the **cyber incident manager** of any incident in accordance with this clause. However, if **you** are prevented from notifying **us** by a legal or regulatory obligation then **your** rights under this Policy will not be affected.

If **you** discover a **cyber event** **you** may only incur costs without **our** prior written consent within the first 72 hours following the discovery and any **third party** costs incurred must be with a company forming part of the **approved claims panel providers**. All other costs may only be incurred with the prior written consent of the **cyber incident manager** (which will not be unreasonably withheld).

2. What you must do in the event of a circumstance which could give rise to a claim

In respect of **INSURING CLAUSES 5** and **6**, should a **senior executive officer** become aware of:

- a. a situation during the **period of the policy** that could give rise to a **claim**; or
- b. an allegation or complaint made or intimated against **you** during the **period of the policy**;

then **you** have the option of whether to report this circumstance to **us** or not. However, if **you** choose not to report it this circumstance **we** will not be liable for that portion of any **claim** that is greater than it would have been had **you** reported this circumstance.

If **you** choose to report this circumstance **you** must do so no later than the end of any applicable extended reporting period for it to be considered under this Policy and **we** will require **you** to provide full details of the circumstance, including but not limited to:

- a. the time, place and nature of the circumstance;
- b. the manner in which **you** first became aware of this circumstance;
- c. the reasons why **you** believe that this circumstance could give rise to a **claim**;
- d. the identity of the potential claimant; and
- e. an indication as to the size of the **claim** that could result from this circumstance.

Any subsequent **claim** arising directly from this circumstance will be deemed to have been made at the time this circumstance was notified to **us** and **we** will regard this **claim** as having been notified under this Policy.

3. Additional insureds

We will indemnify any **third party** as an additional insured under this Policy, but only in respect of sums which they become legally obliged to pay (including liability for claimants' costs and expenses) as a result of a **claim** arising solely out of an act, error or omission committed by **you**, provided that:

- a. **you** contracted in writing to indemnify the **third party** for the **claim** prior to it first being made against them; and
- b. had the **claim** been made against **you**, then **you** would be entitled to indemnity under this Policy.

Before **we** indemnify any additional insured they must:

- a. prove to **us** that the **claim** arose solely out of an act, error or omission committed by **you**; and
- b. fully comply with **CONDITION 1** as if they were **you**.

Where a **third party** is treated as an additional insured as a result of this Condition, any **claim** made by that **third party** against **you** will be treated by **us** as if they were a **third party** and not as an insured.

4. Agreement to pay claims (duty to defend)

We have the right and duty to take control of and conduct in **your** name the investigation, settlement or defence of any **claim**. We will not have any duty to pay **costs and expenses** for any part of a **claim** that is not covered by this Policy.

You may ask the **cyber incident manager** to consider appointing **your** own lawyer to defend the **claim** on **your** behalf and the **cyber incident manager** may grant **your** request if they consider **your** lawyer is suitably qualified by experience, taking into account the subject matter of the **claim**, and the cost to provide a defence.

We will endeavour to settle any **claim** through negotiation, mediation or some other form of alternative dispute resolution and will pay on **your** behalf the amount **we** agree with the claimant. If **we** cannot settle using these means, **we** will pay the amount which **you** are found liable to pay either in court or through arbitration proceedings, subject to the **policy limit** and **incident response limit**.

We will not settle any **claim** without **your** consent. If **you** refuse to provide **your** consent to a settlement recommended by **us** and elect to continue legal proceedings in connection with the **claim**, any further **costs and expenses** incurred will be paid by **you** and **us** on a proportional basis, with 80% payable by **us** and 20% payable by **you**. As a consequence of **your** refusal, **our** liability for the **claim**, excluding **costs and expenses**, will not be more than the amount for which the **claim** could have been settled.

5. Cancellation

This Policy may be cancelled with 30 days written notice by either **you** or **us**.

If **you** give **us** notice of cancellation, the return **premium** will be in proportion to the number of days that the Policy is in effect. However, if **you** have made a claim under this Policy there will be no return **premium**.

If **we** give **you** notice of cancellation, the return **premium** will be in proportion to the number of days that the Policy is in effect.

We also reserve the right of cancellation in the event that any amount due to **us** by **you** remains unpaid more than 60 days beyond the **inception date**. If **we** exercise this right of cancellation it will take effect from 14 days after the date the written notice of cancellation is issued.

The Policy Administration Fee will be deemed fully earned upon inception of the Policy.

6. Continuous cover

If **you** have neglected, through error or oversight only, to report an incident discovered by **you** that might give rise to a **claim** under this Policy during the period of a previous renewal of this Policy issued to **you** by **us**, then provided that **you** have maintained uninterrupted insurance of the same type with **us** since the expiry of that earlier Policy, then, notwithstanding **EXCLUSION 10**, **we** will permit the matter to be reported under this Policy and **we** will indemnify **you**, provided that:

- a. the indemnity will be subject to the applicable limit of liability of the earlier Policy under which the matter should have been reported or the **policy limit** plus the **incident response limit**, whichever is the lower;
- b. **we** may reduce the indemnity entitlement by the monetary equivalent of any prejudice which has been suffered as a result of the delayed notification; and
- c. the indemnity will be subject to all of the terms, Conditions, Definitions and Exclusions of this Policy, other than a) above.

7. Extended reporting period

An extended reporting period of 60 days following the **expiry date** will be automatically granted at no additional premium. This extended reporting period will cover, subject to all other terms, conditions and exclusions of this Policy:

- a. any **claim** first made against **you** during the **period of the policy** and reported to **us** during this extended reporting period;
- b. any **cyber event**, **loss** or **system failure** first discovered by **you** during the **period of the policy** and reported to **us** during this extended reporting period; and
- c. any circumstance that a **senior executive officer** became aware of during the **period of the policy** and reports to **us** during this extended reporting period.

No claim will be accepted by **us** in this 60 day extended reporting period if **you** are entitled to indemnity under any other insurance, or would be entitled to indemnity under such insurance if its limit of liability was not exhausted.

8. Optional extended reporting period

If **we** or **you** decline to renew or cancel this Policy then **you** will have the right to have issued an endorsement providing an optional extended reporting period for the duration stated in the Declarations page which will be effective from the cancellation or non-renewal date. This optional extended reporting period will cover, subject to all other terms, conditions and exclusions of this Policy:

- a. any **claim** first made against **you** and reported to **us** during this optional extended reporting period, provided that the **claim** arises out of any act, error or omission committed prior to the date of cancellation or non-renewal; and
- b. any **cyber event, loss or system failure** first discovered by **you** during this optional extended reporting period, provided that the **cyber event, loss or system failure** occurred during the **period of the policy**;

If **you** would like to purchase the optional extended reporting period **you** must notify **us** and pay **us** the optional extended reporting period premium stated in the Declarations page within 30 days of cancellation or non-renewal.

The right to the optional extended reporting period will not be available to **you** where cancellation or non-renewal by **us** is due to non-payment of the **premium** or **your** failure to pay any amounts in excess of the applicable **policy limit** and **incident response limit** or within the amount of the applicable **deductible** as is required by this Policy in the payment of claims.

At the renewal of this Policy, **our** quotation of different **premium, deductible**, limits of liability or changes in policy language will not constitute non-renewal by **us**.

9. Fraudulent claims

If it is determined by final adjudication, arbitral tribunal or written admission by **you**, that **you** notified **us** of any claim knowing it to be false or fraudulent in any way, **we** will have no responsibility to pay that claim, **we** may recover from **you** any sums paid in respect of that claim and **we** reserve the right to terminate this Policy from the date of the fraudulent act. If **we** exercise this right **we** will not be liable to return any **premium** to **you**. However, this will not affect any claim under this Policy which has been previously notified to **us**.

10. Innocent non-disclosure

We will not seek to avoid the Policy or reject any claim on the grounds of non-disclosure or misrepresentation except where the non-disclosure or misrepresentation was reckless or deliberate.

11. Mergers and acquisitions

If **you** acquire an entity during the **period of the policy** whose annual revenue does not exceed 20% of the **company's** annual revenue, as stated in its most recent financial statements, cover is automatically extended under this Policy to include the acquired entity as a **subsidiary**.

If **you** acquire an entity during the **period of the policy** whose annual revenue exceeds 20% of the **company's** annual revenue, as stated in its most recent financial statements, cover is automatically extended under this Policy to include the acquired entity as a **subsidiary** for a period of 45 days.

We will consider providing cover for the acquired entity after the period of 45 days if:

- a. **you** give **us** full details of the entity within 45 days of its acquisition; and
- b. **you** accept any amendment to the terms and conditions of this Policy or agree to pay any additional **premium** required by **us**.

In the event **you** do not comply with a. or b. above, cover will automatically terminate for the entity 45 days after the date of its acquisition.

Cover for any acquired entity is only provided under this Policy for any act, error or omission committed on or after the date of its acquisition.

No cover will be automatically provided under this Policy for any acquired entity:

- a. whose business activities are materially different from **your** business activities;
- b. that has been the subject of any lawsuit, disciplinary action or regulatory investigation in the 3 year period prior to its acquisition; or
- c. that has experienced a **cyber event** in the 3 year period prior to its acquisition, if the **cyber event** cost more than the highest **deductible** of this Policy.

If during the **period of the policy** **you** consolidate, merge with or are acquired by another entity then all coverage under this Policy will terminate at the date of the consolidation, merger or acquisition unless **we** have issued an endorsement extending coverage, and **you** have agreed to any additional **premium** and terms of coverage required by **us**.

12. Our rights of recovery

You must maintain all of **your** rights of recovery against any **third party** and make these available to **us** where possible.

We will not exercise any rights of recovery against any **employee** or **senior executive officer**, unless this is in respect of any fraudulent or dishonest acts or omissions as proven by final adjudication, arbitral tribunal or written admission by **you**.

Any recoveries will be applied in proportion to the amounts paid by **you** and **us**.

13. Prior subsidiaries

Should an entity cease to be a **subsidiary** after the **inception date**, cover in respect of the entity will continue as if it was still a **subsidiary** during the **period of the policy**, but only in respect of an act, error, omission or event occurring prior to the date that it ceased to be a **subsidiary**.

14. Process for adjustment of business interruption losses

In order to determine the amount of **loss** following an interruption to **your business operations** covered under **INSURING CLAUSE 3 (SECTIONS B, C, D and E only)**, the **cyber incident manager** will appoint an independent expert agreed between **you** and **us** which will be paid for by **us** in accordance with **INSURING CLAUSE 3 (SECTION F only)**.

If an independent expert cannot be agreed upon, one will be appointed by an arbitrator mutually agreed between **you** and **us** whose decision will be final and binding.

Once an independent expert has been appointed, their calculation of **loss** will be final and binding.

15. Process for paying privacy breach notification costs

Any **privacy breach** notification transmitted by **you** or on **your** behalf must be done with **our** prior written consent. **We** will ensure that notification is compliant with any legal or regulatory requirements and contractual obligations. No offer must be made for financial incentives, gifts, coupons, credits or services unless with **our** prior written consent which will only be provided if the offer is commensurate with the risk of harm.

We will not be liable for any portion of the costs **you** incur under **INSURING CLAUSE 1 (SECTION E only)** that exceed the costs that **you** would have incurred had **you** gained **our** prior written consent. In the absence of **our** prior written consent **we** will only be liable to pay **you** the equivalent cost of a notification made using the most cost effective means permissible under the governing law.

16. Supply chain interruption events

In respect of **INSURING CLAUSE 3 (SECTION D only)**, it is a condition precedent to liability under this Policy that **you** submit to **us** a written report from the **supply chain partner** confirming the root cause and length of the outage.

17. Choice of law

This Policy will be interpreted under, governed by and construed in all respects in accordance with the law of the jurisdiction of the place of registration of the company named as the insured in the Declarations page and **we** and **you** agree to submit to the exclusive jurisdiction of the courts within the territorial limits and jurisdiction of the place of registration of the company named as the insured in the Declarations page.

In any action to enforce **our** obligations under this Policy **we** can be named as “Lloyd's Underwriters” which will be binding on the Lloyd's Underwriters liable under this Policy as if **we** had each been individually named as defendants. Service of these proceedings may be made upon the Attorney In Fact in Canada for Lloyd's Underwriters at the address 1155, rue Metcalfe, Suite 2220, Montreal, Quebec, H3B 2V6.

STATUTORY CONDITIONS

1. Misrepresentation

If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

2. Property of others

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.

3. Change of interest

The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act or change of title by succession, by operation of law, or by death.

4. Material change

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent; and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must within fifteen (15) days of the receipt of the notice, pay to the Insurer an additional premium; and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

5. Requirements after loss

- a. Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of Conditions 9, 10 and 11:
 - i. forthwith give notice thereof in writing to the Insurer;
 - ii. deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
 1. giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
 2. stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
 3. stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured,
 4. showing the amount of other insurance and the names of other Insurers,
 5. showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property,
 6. showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
 7. showing the place where the property insured was at the time of loss,
 - iii. if required give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
 - iv. if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- b. The evidence furnished under Clauses 1 (c) and (d) of this condition shall not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

6. Termination

- a. The contract may be terminated:
 - i. by the insurer giving to the insured fifteen (15) days' notice of termination by registered mail or 5 days' written notice of termination personally delivered; or
 - ii. by the insured at any time on request.
- b. If the contract is terminated by the insurer:
 - i. the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the

prorated premium for the expired time be less than any minimum retained premium specified in the contract; and

- ii. the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.

c. If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of the premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.

d. The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

7. Fraud

Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.

8. Who may give notice and proof

Notice of loss may be given, and proof of loss may be made, by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

9. Salvage

a. The Insured in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to any such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.

b. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subparagraph 1 of this condition according to the respective interests of the parties.

10. Entry, control, abandonment

After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.

11. When loss payable

The loss is payable within sixty (60) days after completion of the proof of loss, unless the contract provides for a shorter period.

12. Repair or replacement

- a. The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within thirty days after receipt of the proofs of loss
- b. In that event the Insurer shall commence to so repair, rebuild or replace the property within forty-five (45) days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

13. Action

Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within one year next after the loss or damage occurs.

14. Notice

Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agent or head office of the Insurer in the Province. Written notice may be given to the Insured named in this contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

15. In case of disagreement

In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specified demand therefor is made in writing and until after proof of loss has been delivered.

NOTICE CONCERNING PERSONAL INFORMATION

By purchasing insurance from certain Underwriters at Lloyd's, London ("Lloyd's"), a customer provides Lloyd's with his or her agreement to the collection, use and disclosure of personal information, including that previously collected, for the following purposes:

- the communication with Lloyd's policyholders

- the underwriting of policies
- the evaluation of claims
- the detection and prevention of fraud
- the analysis of business results
- purposes required or authorized by law

For the purposes identified, personal information may be disclosed to Lloyd's related or affiliated organizations or companies, their agents/mandataires, and to certain non-related or unaffiliated organizations or companies, including service providers. These entities may be located outside Canada therefore a customer's information may be processed in a foreign jurisdiction (the United Kingdom and the European Union) and their information may be accessible to law enforcement and national security authorities of that jurisdiction.

To obtain written information about Lloyd's policies and practices in respect of service providers located outside Canada, please contact the Ombudsman at info@lloyds.ca who will also answer customer's questions about the collection, use, disclosure or storage of their personal information by such Lloyd's service providers.

Further information about Lloyd's personal information protection policy may be obtained from the customer's broker or by contacting Lloyd's on: 514 861 8361, 1 877 455 6937, or through info@lloyds.ca.

LLOYD'S UNDERWRITERS POLICYHOLDERS COMPLAINT PROTOCOL

Lloyd's strives to enhance your customer experience with us through superior service and innovative insurance products.

We have developed a formal complaint handling protocol in accordance with the Insurance Companies Act of Canada to ensure your concerns as our valued customer are addressed expeditiously by our representatives. This protocol will assist you in understanding the steps we will undertake to help resolve any dispute which may arise with our product or service. All complaints will be handled in a professional manner. All complaints will be investigated, acted upon, and responded to in writing or by telephone by a Lloyd's representative promptly after the receipt of the complaint. If you are not satisfied with our products or services, you can take the following steps to address the issue:

- a. Firstly, please contact the broker who arranged the insurance on your behalf about your concerns so that he or she may have the opportunity to help resolve the situation.
- b. If your broker is unable to help resolve your concerns, we ask that you provide us in writing an outline of your complaint along with the name of your broker and your policy number.

Please forward your complaint to:

Lloyd's Underwriters

Attention: Complaints Officer:

1155 rue Metcalfe, Suite 2220, Montréal (Québec) H3B 2V6

Tel: 1-877-455-6937 Fax: (514) 861-0470

E-mail: lineage@lloyds.ca

Your complaint will be directed to the appropriate business contact for handling. They will write to you within two business days to acknowledge receipt of your complaint and to let you know when you can expect a full response. If need be, we will also engage internal staff in Lloyd's Policyholder and Market Assistance Department in London, England, who will respond directly to you, and in the last stages, they will issue a final letter of position on your complaint.

In the event that your concerns are still not addressed to your satisfaction, you have the right to continue your pursuit to have your complaint reviewed by the following organizations:

General Insurance OmbudService (GIO) assists in the resolution of conflicts between insurance customers and their insurance companies. The GIO can be reached at:

Toll free number: 1-877-225-0446

www.giocanada.org

For Quebec clients:

Autorité des marchés financiers (AMF). The regulation of insurance companies in Quebec is administered by the AMF. If you remain dissatisfied with the manner in which your complaint has been handled, or with the results of the complaint protocol, you may send your complaint to the AMF who will study your file and who may recommend mediation, if it deems this action appropriate and if both parties agree to it. The AMF can be reached at

Toll Free: 1-877-525-0337

Québec: (418) 525-0337

Montréal: (514) 395-0311

www.lautorite.qc.ca

If you have a complaint specifically about Lloyd's Underwriters' complaints handling procedures you may contact the Financial Consumer Agency of Canada (FCAC).

Financial Consumer Agency of Canada (FCAC) provides consumers with accurate and objective information about financial products and services, and informs Canadians of their rights and responsibilities when dealing with financial institutions. FCAC also ensures compliance with the federal consumer protection laws that apply to banks and federally incorporated trust, loan and

insurance companies. The FCAC does not get involved in individual disputes. The FCAC can be reached at:

427 Laurier Avenue West, 6th Floor, Ottawa ON K1R 1B9

Services in English: 1-866-461-FCAC (3222)

Services in French: 1-866-461-ACFC (2232)

www.fcac-acfc.gc.ca

SUBSCRIPTION NOTICE

IN CONSIDERATION OF THE INSURED having paid or agreed to pay each of the INSURERS named in the List of Subscribing Companies forming part hereof, or to INSURERS whose names are substituted therefor or added thereto by endorsement, hereinafter called "THE INSURERS", the Premium set against its name in the List of Subscribing Companies (attached hereto),

THE INSURERS SEVERALLY AND NOT JOINTLY agree, each for the Sum(s) Insured or Percentage(s) and for the Coverage(s) Insured set against its name in the List of Subscribing Companies, and subject always to the terms and conditions of this Policy, that if a loss occurs for which insurance is provided by this Policy at any time while it is in force, they will indemnify the INSURED against the loss so caused; the liability of each insurer individually for such loss being limited to that proportion of the loss payable according to the terms and conditions of this Policy which the Sum Insured or the amount corresponding to the Percentage set against its name in the List of Subscribing Companies, or such other sum or percentage as may be substituted therefor by endorsement, bears to the total of the sums insured or of the amounts corresponding to the percentages of the sums insured respectively set out against the coverage concerned in the Declarations page(s).

Wherever in this Policy, or in any endorsement attached hereto, reference is made to "The Company", "The Insurer", "This Company", "we", "us", or "our", reference will be deemed to be made to each of the Insurers severally.

This policy is made and accepted subject to the foregoing provisions, and to the other provisions, stipulations and conditions contained herein, which are hereby specially referred to and made a part of this Policy, as well as such other provisions, agreements or conditions as may be endorsed hereon or added hereto.

IN WITNESS WHEREOF THE INSURERS through their representative(s) duly authorized by them for this purpose have executed and signed this Policy.

CODE OF CONSUMER RIGHTS AND RESPONSIBILITIES

Insurers (including Lloyd's Underwriters), along with the brokers and agents who sell home, auto and business insurance are committed to safeguarding your rights both when you shop for insurance and when you submit a claim following a loss. Your rights include the right to be informed fully, to be treated fairly, to timely complaint resolution, and to privacy. These rights are grounded in the contract between you and your insurer and the insurance laws of your province. With rights, however, come responsibilities including, for example, the expectation that you will provide complete and accurate information to your insurer. Your policy outlines other important responsibilities. Insurers and their distribution networks, and governments also have important roles to play in ensuring that your rights are protected.

RIGHT TO BE INFORMED

You can expect to access clear information about your policy, your coverage, and the claims settlement process. You have the right to an easy-to-understand explanation of how insurance works and how it will meet your needs. You also have a right to know how insurers calculate price based on relevant facts. Under normal circumstances, insurers will advise an insurance customer or the customer's intermediary of changes to, or the cancellation of a policy within a reasonable prescribed period prior to the expiration of the policy, if the customer provides information required for determining renewal terms of the policy within the time prescribed, which could vary by province, but is usually 45 days prior to expiry of the policy.

You have the right to ask who is providing compensation to your broker or agent for the sale of your insurance. Your broker or agent will provide information detailing for you how he or she is paid, by whom, and in what ways.

You have a right to be told about insurers' compensation arrangements with their distribution networks. You have a right to ask the broker or agent with whom you deal for details of how and by whom it is being paid. Brokers and agents are committed to providing information relating to ownership, financing, and other relevant facts.

RESPONSIBILITY TO ASK QUESTIONS AND SHARE INFORMATION

To safeguard your right to purchase appropriate coverage at a competitive price, you should ask questions about your policy so that you understand what it covers and what your obligations are under it. You can access information through one-on-one meetings with your broker or agent. You have the option to shop the marketplace for the combination of coverages and service levels that best suits your insurance needs. To maintain your protection against loss, you must promptly inform your broker or agent of any change in your circumstances.

RIGHT TO COMPLAINT RESOLUTION

Insurers, their brokers and agents are committed to high standards of customer service. If you have a complaint about the service you have received, you have a right to access Lloyd's Underwriters' complaint resolution process for Canada. Your agent or broker can provide you with information about how you can ensure that your complaint is heard and promptly handled. Consumers may also contact their respective provincial insurance regulator for information. Lloyd's is a member of an independent complaint resolution office, the General Insurance OmbudService.

RESPONSIBILITY TO RESOLVE DISPUTES

You should always enter into the dispute resolution process in good faith, provide required information in a timely manner, and remain open to recommendations made by independent observers as part of that process.

RIGHT TO PROFESSIONAL SERVICE

You have the right to deal with insurance professionals who exhibit a high ethical standard, which includes acting with honesty, integrity, fairness and skill. Brokers and agents must exhibit extensive knowledge of the product, its coverages and its limitations in order to best serve you.

RIGHT TO PRIVACY

Because it is important for you to disclose any and all information required by an insurer to provide the insurance coverage that best suits you, you have the right to know that your information will be used for the purpose set out in the privacy statement made available to you by your broker, agent or insurance representative. This information will not be disclosed to anyone except as permitted by law. You should know that Lloyd's Underwriters are subject to Canada's privacy laws - with respect to their business in Canada.

ONTARIO COMMERCIAL LIABILITY NOTICE

Notice to Insureds:

Pursuant to
the
Freedom Of Information and Protection Of Privacy Act,
R.S.O. 1990, c.F.31 (as amended)

IMPORTANT

The notice below applies to insurance contracts containing non automobile legal liability coverages in provinces where statistical data relating to such contracts must be reported to the Superintendent of Insurance.

LEGAL AUTHORITY FOR COLLECTION

Insurance Act, R.S.O. 1990, c.I.8, section 101(1).

Principal purpose for which personal information is intended to be used Information collected by insurers from insureds or supplied to insurers pertaining to the attached document will be used:

- to compile aggregate statistical data to be used in monitoring trends in the insurance industry;
- to develop statistical exhibits to be used in monitoring the insurance industry;
- to respond to requests for customized statistical information on the insurance industry;
- to respond to inquiries on statistical information made to Office of the Superintendent of Insurance; and
- to use and disclose such information for purposes which are consistent with the previous clauses.

The Public Official who can answer questions about the collection is:

Manager, Statistical Services

Financial Services Commission of Ontario

5160 Yonge Street, 17th Floor

Box 85

North York, Ontario M2N 6L9

Telephone: (416) 250-7250

Fax: (416) 590-7070

FOI (11/1999)



TO: Chair and Members of the Finance & Facilities Committee

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

DATE: 2021 April 1

2021 COVID-19 VACCINE RELATED COSTS

Recommendation

It is recommended that the Finance & Facilities Committee recommend that the Board of Health:

- 1) Receive Report No. 13-21FFC re: “2021 COVID-19 Vaccine-related costs” for information;*
- 2) Approve the 2021 COVID-19 Vaccine-related budget, outlined in Appendix B, as a one-time expense within the 2021 Annual Service Plan submission to the Ministry of Health.*

Key Points

- The Ministry of Health (MoH) directed public health units to ‘take all necessary measures’ to respond to COVID-19, including the roll-out of the Vaccine Program.
- Vaccine Program-related costs are to be submitted as a ‘one-time expense’ in the Annual Service Plan submission to the MoH. In 2021, associated funding is expected to flow in-year as opposed to end of year cost recovery.
- Four mass vaccination clinics have been established, with three of them currently operating, representing a significant operating expense to MLHU.

Background

On February 19, direction from the Manager, Funding and Oversight and Accountability and Liaison Branch of the Office of the Chief Medical Officer of Health, Public Health detailed that, “For the 2021 funding year, public health units are expected to take all necessary measures to continue to respond to COVID-19 in their catchment areas, support the Ministry of Health in the provincial roll-out of the COVID-19 Vaccine Program, and continue to maintain critical public health programs and services as identified in Board of Health approved pandemic plans.” As previously noted in [05-21FFC January 2021 Financial Situation](#), MLHU has launched a significant Vaccine Program for London and Middlesex in alignment with this direction. This has required investment in facilities (lease costs and fit-up), infrastructure (security systems, uninterrupted power sources, information technology), supplies, and human resources.

The Ministry of Health (MoH) has changed its COVID-19 expense submission process for 2021 (including vaccine program-related costs). Budgeted expenses are to be included in the Annual Service Plan (ASP) submission on April 1st and it is anticipated that funding will be flowed to Health Units in-year, as opposed to the cost-recovery approach undertaken in 2020.

Vaccine Program: Mass Vaccination Clinic Overview

To date, the MLHU Vaccine Program consists of three operational mass vaccination clinic sites and a fourth site that is nearly ready to open. In order to successfully execute this massive undertaking, ‘back office’ supports also required additional staffing resources. For example, in order to recruit sufficient staff to fulfill clinical and administrative roles required in each clinic, external recruiters were hired to assist with screening and interviewing of candidates. Similarly, to ensure adequate support for the provincial electronic

documentation tool mandated for use in this work, additional Information Technology staff have also been recruited. With adequate supplies serving as a critical dependency for each clinic, logistics coordinators were also hired to support this important function at each site. [Appendix A](#) provides an overview of the leadership and staffing structure for each clinic.

The Agriplex at the Western Fair was the first mass vaccination clinic in the London and Middlesex region. With 21 vaccination stations, the Agriplex at its maximum capacity can vaccinate 2,000 individuals per day. This site is operated by London Health Sciences Centre (LHSC) under the oversight of MLHU and all costs related to operating this site are being submitted directly to the MoH by LHSC per Ministry direction. A Memorandum of Agreement is in place to support the collaboration between organizations.

The Mt. Brydges vaccination clinic was the second to open in the region on February 18th. Located at the Caradoc Community Centre, the site has a maximum of seven (7) vaccination stations, and at its maximum capacity can vaccinate 550 individuals per day. Middlesex County supported the launch of this site by assisting in the fit-up of the facility and by providing Community Emergency Response Volunteers (CERV) to work in greeter and navigator roles at the clinic. Transition of these roles to paid staff positions is underway as CERV deployment is intended to be for short-term timeframes only.

The vaccination clinic located at the North London Optimist Community Centre (NLOCC) opened on March 18th and has a maximum of 22 vaccination stations; at its maximum capacity NLOCC can vaccinate over 2,000 individuals per day. The fourth vaccination clinic is nearly ready to open at Earl Nichols Arena, pending finalized facility requirements and receipt of sufficient vaccine supply from the province. Another large site, it has a maximum of 22 vaccination stations, and at its maximum capacity can also vaccinate over 2,000 individuals per day. This location will be operated with leadership support (Clinical Supervisors) and vaccinator staffing provided by the Thames Valley Family Health Team (TVFHT). Both NLOCC and Earl Nichols sites are supported by City of London staff who have been recruited to serve in the greeter and navigator roles at these clinics.

The three (3) vaccination clinics (Agriplex not included) represent an almost doubling of MLHU baseline staffing pre-pandemic. The associated costs are therefore significant and are represented in [Appendix B](#).

Next Steps

Detailed budget projections have been completed for the MLHU COVID-19 Vaccine Program and will be submitted to the MoH upon Board of Health approval as part of the ASP. As noted in the 'COVID-19 Verbal Update' of March 18, 2021, MLHU has secured an expansion of its rotating credit facility to ensure organizational cash flow can be maintained in the event of MoH funding delays.

This report was prepared by the Healthy Organization Division.

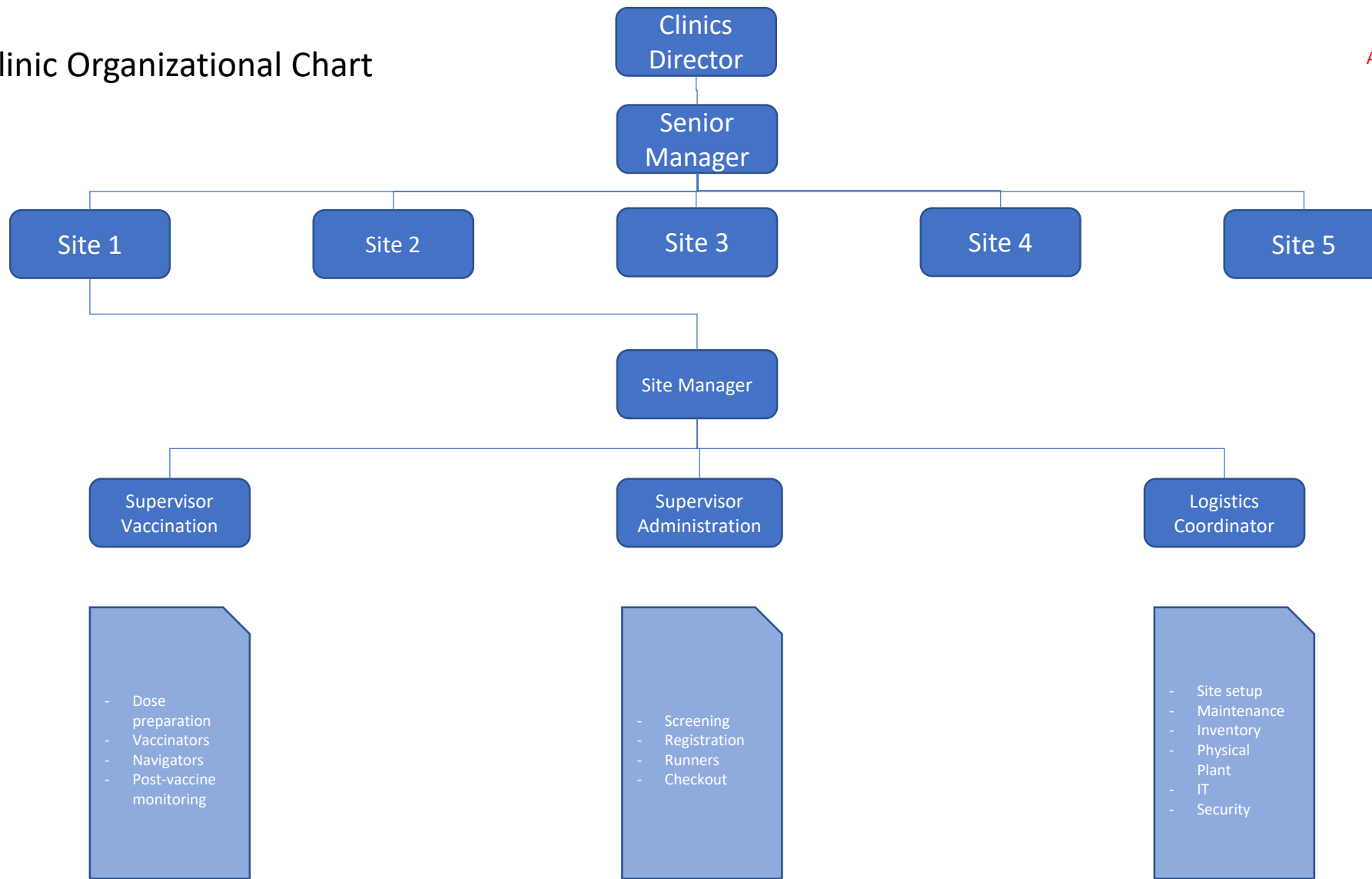


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Medical Officer of Health



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Chief Executive Officer (Interim)

Vaccine Clinic Organizational Chart



Notes: Each site requires 2 full teams in order to operate 7 days per week/12 hours per day
Logistics includes IT staff on-site
Number of vaccinators will be dependent on throughput dependent upon number of stations per site

Appendix B: COVID-19 Vaccine Clinic Estimated Costs

	Site 1	Site 2	Site 3	Total
Expected opening	18-Feb	18-Mar	TBD	
Startup Costs (one-time)				
Technology	128,210	41,436	20,979	190,625
Infrastructure (refrigeration, ventilation, ramps, electrical)	38,030	74,258	97,772	210,059
Total one-time startup costs	166,240	115,694	118,751	400,684
Recurring costs				
Utilities (incl. rent, standby generators)	2,840	11,700	16,000	30,540
Security, Custodial, Maintenance	87,070	93,107	94,512	274,689
Staffing costs	355,978	826,336	826,336	2,008,650
Total monthly costs	445,888	931,143	936,848	2,313,879
One-time startup costs	166,240	115,694	118,751	400,684
Recurring costs (calculated based on number of months site is operating)	4,681,820	8,845,861	7,494,786	21,022,468
Total Vaccine Clinic Estimated Costs	4,848,060	8,961,555	7,613,537	21,423,152