 <b>COBOURG</b>	<b>THE CORPORATION OF THE TOWN OF COBOURG</b>
	<b>STAFF REPORT</b>
TO:	Mayor and Council Members
FROM: TITLE:	Ian D. Davey, BBA CPA CA Treasurer / Director of Corporate Services
DATE OF MEETING:	November 16, 2020
TITLE / SUBJECT:	Comprehensive Insurance Program – November 1, 2020 to November 1, 2021
REPORT DATE:	November 5, 2020

1.0 STRATEGIC PLAN  
N/A

2.0 PUBLIC ENGAGEMENT  
N/A

3.0 RECOMMENDATION  
That the corporation accept the recommendation of our insurance broker and renew the comprehensive insurance program with Frank Cowan Company for the November 1, 2020 to November 1, 2021 policy year in the amount of \$669,205 which includes Broker's fee plus all applicable taxes.

4.0 ORIGIN  
The Municipality's comprehensive insurance program runs from October 1, 2020 through October 1, 2021 and renews on an annual basis. This year, as a result of delays caused by the pandemic, our insurance company extended our existing policy by one month to November 1, 2020 at the existing rates on a pro-rated basis.

5.0 BACKGROUND  
McDougall Insurance Brokers Limited provide brokerage services to the Town on a fee for service basis. This renewal is the third year of a five year agreement with our broker which was approved by Council August 13, 2018.

In addition to assisting municipal staff with questions regarding coverages and claims, our insurance broker reviews our policy renewal to ensure that coverages are adequate to protect the municipality and that premiums are fair.

The insurance market for municipalities is very small in terms of the number of companies willing to provide the type of coverage that municipalities require. Historically, our broker has gone out to market every 3 to 5 years to obtain quotes from competing insurance companies. Mr. Ryan Lowe, from McDougall Insurance Brokers Limited will be in attendance at the Committee of the Whole meeting to explain how this process worked this year and to provide a general overview of the municipal insurance industry in Ontario at this time.

Last year we added our first Cyber liability policy to our insurance coverage. The Cyber policy is separate from our comprehensive policy being considered in this report. The Cyber policy runs from August 6, 2020 through August 6, 2021 with an annual premium of \$7,344 including all applicable taxes which was an increase of \$918 over last year.

## 6.0 ANALYSIS

Our brokers have reviewed our current insurance contract and renewal terms with Frank Cowan Company in detail and based on this review, their recommendation is that the coverages being offered are adequate and the renewal premiums are reasonable given our claims history and current market trends.

The quoted premium for the policy year November 1, 2020 through November 1, 2021 is \$669,205 which includes our broker fee plus all applicable taxes.

This compares to a total cost of \$568,840 for the policy year ended October 1, 2020, an increase of \$100,366 or 17.64%.

Current policy deductibles are \$25,000 for general liability claims and \$10,000 on property damage claims. The annual premiums as outlined above is based on increasing the deductible on property claims to \$25,000 which resulted in a cost saving of \$12,460.

Our insurance broker Ryan Lowe is in attendance this evening to answer any questions from Members of Council

7.0 FINANCIAL IMPLICATIONS/BUDGET IMPACT

An increase of \$100,366 will represent an increase of 0.41% on the 2020 tax levy of \$24,686,992.

It is recommended that the deductible on property claims be increased to \$25,000 for an annual savings of \$12,460. Historically, the municipality has not had property claims in the range between \$10,000 and \$25,000 so there is minimal risk in increasing this deductible.

8.0 CONCLUSION

It is recommended that the corporation accept the renewal of the comprehensive insurance program with Frank Cowan Company for the November 1, 2020 to November 1, 2021 policy year in the amount of \$669,205, which includes all applicable taxes and brokerage fees.

9.0 POLICIES AFFECTING THE PROPOSAL

N/A

10.0 COMMUNICATION RESULTS

N/A

11.0 ATTACHMENTS

2020 Municipal Insurance Program (17 pages)

12.0 AUTHORIZATION ACKNOWLEDGMENT



Ian D. Davey, BBA CPA CA  
Treasurer / Director of Corporate Services



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Tracey Vaughan  
Chief Administrative Officer





# 2020 Municipal Insurance Program

CORPORATION OF THE TOWN OF COBOURG

Renewal Report for the Policy Term October 1, 2020 to October 1, 2021

In Partnership with:

**Ryan Lowe**  
McDougall Insurance Brokers Limited  
951 Elgin Street West  
Cobourg, ON K9A 5J3

Prepared by:

**Viano Ciaglia, CIP, CRM**  
Regional Manager

Ref 14850/tg

26 October 2020

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MIP 04-2017-v1

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**Built with integrity, leading through innovation.**

 **FRANK COWAN  
COMPANY**

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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 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.

## CANADIAN OWNED COMPANY WITH 90+ YEARS OF CONTINUOUS OPERATION

**MARKET LEADER**   
**MUNICIPAL & SPECIALTY CLIENTS**  
Municipal market share leader in Ontario with strong representation of public entity and specialty clients across Canada.

**INNOVATIVE**   
**NEW PRODUCTS & SERVICES**  
Active Assaultant  
Cyber Risk Insurance  
Fraudulently Induced Transfer  
Road Reviews  
Fleet Management

**IN-HOUSE**   
**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.



**Municipal Market Share Leader in Ontario**



**First Municipal Client**  
The Village of Ayr, Ontario

## 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.

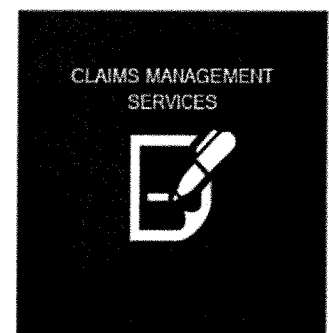
As a trusted business partner, we believe in participating in and advocating for the causes that affect our clients. For this reason, we affiliate with and support key provincial and national associations. In order for Frank Cowan Company to be effective in serving you, we, as an MGA, believe in fully 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.

# Best in Class Value-Added Services

Frank Cowan Company offers more than just an insurance policy. As a leading MGA specializing in public entities, we provide Canadian municipalities with a complete insurance program. What's the difference? A vested interest in helping you reduce your total cost of risk while providing you with complimentary best in class value-added services that help improve your overall performance.

## ADVOCACY & MUNICIPAL ASSOCIATION SUPPORT

Frank Cowan Company employees are continually recruited to serve on legislative committees and are aware of changes that will be introduced. We can move quickly to help you begin to modify your policies and procedures to maintain regulatory compliance.

Frank Cowan Company advocates and supports your municipal associations across the country.



## RISK MANAGEMENT SERVICES

### Asset Valuation and Risk Inspections

Inspections provide you with calculated reconstruction costs for insurance purposes and ensure insurance to value. Inspections also analyze potential areas of harm and provide risk recommendations to reduce the frequency and severity of incidents.

### Roads & Sidewalks

#### Road Risk Assessment

Non-repair of road liability claims are costly to defend, result in high court awards and greatly impact a municipality's cost of risk. To help municipalities minimize exposure to non-repair of road claims, road assessments can be employed to review documentation, compliance with the Ontario Traffic Manual, adequacy of policies and procedures and select road segments.

#### Sidewalk Services

Our sidewalk consulting services can help to reduce the frequency of falls on your sidewalks.

#### Driver Trainer

Fleets and individual drivers can receive comprehensive driver training through the use of seminars, tools and guidelines that assist with everything from pre-employment checklists and driver management policies to defensive and cooperative driving education.

#### Fleet Management Evaluation

Have your municipality's fleet risk management practices evaluated. Topics for review include: management structure with the fleet, areas of operation/travel, driver training/hiring practices and loss control management.

### MMS Compliance

Our Minimum Maintenance Standards (MMS) compliance analysis focuses on reviewing your policies/procedures/ documentation and comparing these to the required standards set under the MMS as well as the best practices developed by the Ontario Good Roads Association

### Municipal Education

#### Education & Seminars

Over 10,000 municipal employees from almost every department have received training from Frank Cowan Company over the past few years. Training can be provided through customized sessions on the topics of your choosing or be tied to a policy/procedure review or claims review. We can also provide training through a webinar format and record these webinars so your managers can use them at any time to train new staff or as a refresher for existing staff. We have also partnered with Ontario Good Roads Association and the Association of Ontario Road Supervisors to provide technical training on several books of the Ontario Traffic Manual. Every year we offer Regional Training Sessions to larger audiences on topics such as Building Inspection Losses, Fleet Safety, Trails and Cycling on Municipal Roads. We are always interested in hearing from you as to the type of training your municipality requires.

## **Frank Cowan Company Institute of Municipal Risk Management**

Register for courses specific to your role as a Councillor or municipal employee. The Institute is a collaborative initiative with the Association of Ontario Municipalities and features a variety of courses. Content rich material will help participants identify existing and emerging risks; become familiar with laws, statutes and legislation; and understand the importance of risk management protocols relating to a variety of municipal areas such as roads, sidewalks and claims management. Visit [municipaleducation.ca](http://municipaleducation.ca) for more information or to register.

## **Reviews & Analysis**

### **Contract Reviews**

This complimentary service is among our most popular because a third-party contract review can make a substantial difference. You'll receive valuable feedback and insight from a Paralegal on the suitability and effectiveness of liability provisions and insurance clauses in contracts and agreements.

## **CLAIMS SERVICES**

### **Claims Management Best Practices Framework**

Manage claims under your deductible with greater efficiency using our tested claims analytics and measures that are guaranteed to have a positive effect on cost savings. Couple this with strong claims and risk management and your organization will be better prepared to help mitigate and manage future incidents.

### **In-House Claims Management Services**

Your claims will be handled better. We have in-house claims authority – others may not. Why does this matter? You'll experience faster turnaround, one point of contact, reduced frustration, better claims resolution and improved expense management.

### **Claims History Analysis**

Identify the cause of claims and focus on trends and patterns to help eliminate risk sources so as to better identify risk trends and address them with mitigation techniques.

## **Policy and Procedural Reviews**

Includes an audit of systems and processes to reduce potential losses within your organization. Reviews focus on identifying gaps or inconsistencies between written policies and procedures, operational procedures and current legislation. The review also includes a claims analysis to identify trends, patterns and adherence or its lack of to the written operational policies and procedures.

## **Online Resource Library - Risk Management Centre of Excellence**

You'll receive access to hundreds of relevant and helpful resources and templates designed to provide you with the tools needed to manage municipal risk.

### **Guidewire ClaimCenter® Claims Management**

View the status of claims in addition to data mining capabilities for risk management purposes so as to better identify risk trends and address them with mitigation techniques.

### **Claims Education**

Customized municipal seminars on claims related topics delivered to solve specific risk issues.

### **Expertise**

Canadian municipal claims experience and expertise is important. Our understanding of the complex municipal landscape allows us to better service your unique claims requirements.



## 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>	25,000	15,000,000 Per Claim No Aggregate
Voluntary Medical Payments	Nil	50,000 Per Person 50,000 Per Accident
Voluntary Property Damage	Nil	50,000 Per Occurrence 50,000 Annual Aggregate
Voluntary Compensation - Employees	Nil	50,000 Each Person 250,000 Annual Aggregate
Sewer Backup	25,000 Per Claimant	
Wrongful Dismissal (Legal Expense – Claims Made)	5,000	250,000 Per Claim 250,000 Aggregate
Forest Fire Expense	Nil	1,000,000 1,000,000 Aggregate
Errors & Omissions Liability (Claims Made Form)	25,000	15,000,000 Per Claim No Aggregate
Non-Owned Automobile Liability		15,000,000
Legal Liability for Damage to Hired Automobiles	500	250,000
Environmental Liability (Claims Made Form)	25,000	2,000,000 Per Claim 4,000,000 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
<b>Underlying Policy</b>	<b>(\$)</b>	<b>Underlying Limit</b>
General Liability	15,000,000	
Errors & Omissions Liability	15,000,000	
Non-Owned Automobile	15,000,000	
Owned Automobile	15,000,000	
Owned Automobile - Transit	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)		1,000,000
Loss Inside the Premises (Broad Form Money & Securities)		300,000
Loss Outside the Premises (Broad Form Money & Securities)		300,000
Audit Expense		200,000
Money Orders and Counterfeit Paper Currency		200,000
Forgery or Alteration (Depositors Forgery)		1,000,000
Computer and Transfer Fraud (Including Voice Computer Toll Fraud)		200,000

### Accident

Coverage Description	(\$) Deductibles	(\$) Limit of Insurance
Board Members: Persons Insured -Mayor, Deputy Mayor, Five (5) Councillors, and Five (5) Various		
Board Members Accidental Death & Dismemberment		250,000
Paralysis		500,000
Weekly Income – Total Disability		500
Weekly Income – Partial Disability		300

### Conflict of Interest

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

### Legal Expense (Claims Made)

Coverage Description	(\$) Deductibles	(\$) Limit of Insurance
Legal Defence Cost	Nil	100,000 500,000 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	10,000	RC	220,742,300
Scheduled Items Coverage, Deductible and Basis of Settlement as per Schedule	10,000		200,600

Property Supplemental Coverage (Included in the Total Sum Insured unless otherwise specified in the wording)		
Building By-laws	10,000	Included
Building Damage by theft	10,000	Included
Debris Removal	10,000	Included
Electronic Computer Systems		
Electronic Computer Hardware and Media	10,000	Included
Electronic Computer Systems Breakdown	10,000	477,850
Electronic Computer Systems – Extra Expense	10,000	67,400
Extra Expense Period of Restoration	10,000	90 Days
Expediting Expense	10,000	Included
Fire or Police Department Service Charges	10,000	Included
First Party Pollution Clean-up	10,000	Included
Fungi and Spores	10,000	10,000
Furs, Jewellery and Ceremonial Regalia		
Ceremonial Regalia	10,000	Included
Furs and Jewellery	10,000	25,000
Inflation Adjustment	10,000	Included
Live Animals Birds or Fish	10,000	25,000
Newly Acquired Property	10,000	Included
Professional Fees	10,000	Included



Property and Unnamed Locations	10,000	Included
Property Temporarily Removed Including while on Exhibition and during Transit	10,000	Included
Recharge of Fire Protection Equipment Expense	10,000	Included
Sewer Backup and Overflow	10,000	Included

<b>Public Entity Extension Endorsement</b> (In Addition to the Total Sum Insured unless specifically scheduled in the wording)		
Accounts Receivable	10,000	500,000
Bridges and Culverts	10,000	500,000
Buildings Owned due to Non Payment of Municipal Taxes	10,000	100,000
Buildings in the Course of Construction Reporting Extension	10,000	1,000,000
By Laws – Governing Acts	10,000	25,000
Consequential Loss Caused by Interruption of Services		
On Premises	10,000	Included
Off Premises	10,000	1,000,000
Cost to Attract Volunteers Following a Loss	10,000	10,000
Docks, Wharves and Piers	10,000	100,000
Errors and Omissions	10,000	Included
Exterior Paved Surfaces	10,000	50,000
Extra Expense	10,000	500,000
Fine Arts		
At Insured's Own Premises		Not Insured
On Exhibition		Not Insured
Fundraising Expenses	10,000	10,000
Green Extension	10,000	50,000
Growing Plants		
Any One Item	10,000	1,000
Per Occurrence	10,000	100,000
Ingress and Egress	10,000	Included
Leasehold Interest	10,000	25,000
Master Key	10,000	25,000

Peak Season Increase	10,000	25,000
Personal Effects	10,000	25,000
Property of Others	10,000	25,000
Rewards: Arson, Burglary Robbery and Vandalism	10,000	25,000
Signs	10,000	Included
Vacant Property	10,000	1,000,000
Valuable Papers	10,000	500,000
<b>Business Interruption</b>		
Rent or Rental Value	10,000	500,000
<b>Additional Endorsements</b>		
Earthquake – POED	3% Minimum \$100,000	Included
Flood – POED	\$ 25,000	Included
Fine Arts	10,000	1,130,000
Watercraft	10,000	549,400
<b>(\$) Total Amount of Insurance</b>		<b>225,784,700</b>
<b>RC = Replacement Cost ACV = Actual Cash Value VAL = Valued</b>		

## Schedule of Coverage

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

### Equipment Breakdown (TechAdvantage)

Coverage Description	(\$) Deductibles / Waiting Period	(\$) Limit of Insurance
Direct Damage	See Below	50,000,000 Per Accident
Loss of Arena Revenues	24 Hours	1,000 Daily Indemnity 90,000 Total limit of loss
Extra Expense		500,000
Spoilage		50,000
Expediting Expense		Included
Hazardous Substances		500,000
Ammonia Contamination		500,000
Water Damage		500,000
Professional Fees		500,000
Civil Authority or Denial of Access		30 days
Errors and Omissions		250,000
Data Restoration		50,000
By-Law Cover		Included
Off Premises Transportable Object		10,000
Brands and Labels		100,000
Green Coverage		50,000
Environmental Efficiency <b>*Will not show on Declarations Page</b>		Up to 150% of Loss
Anchor Locations		Included
Service Interruption <b>*Will not show on Declarations Page</b>		Included Within 1000 metres
Contingent Business Interruption		25,000
Public Relations Coverage		5,000

#### Description of Object

#### (\$) Deductible Amount

1. 475 HP Ammonia Chiller (2010) Cimco, 750 D'Arcy Street, Cobourg	10,000.
2. 290 HP Ice Diesel Engine, 750 D'Arcy Street, Cobourg	10,000.
3. 200KW/600V Generator, 750 D'Arcy Street, Cobourg	10,000.
4. Any Anaerobic Digester, 420 King Street, West, Cobourg	25,000.
5. Any Other Object	2,500.
6. Any Other Location	2,500.



## Schedule of Coverage

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

### Owned Automobile

Coverage Description	(\$) Deductibles	(\$) Limit of Insurance
Liability		
Bodily Injury		15,000,000
Property Damage		Included
Accident Benefits		As stated in Section 4 of the Policy
Uninsured Automobile		As stated in Section 5 of the Policy
Direct Compensation – Property Damage		
*This policy contains a partial payment of recovery clause for property damage if a deductible is specified for direct compensation-property damage.		
Loss or Damage**		
Specified Perils (excluding Collision or Upset)		
Comprehensive (excluding Collision or Upset)		
Collision or Upset		
All Perils	VRS	Included
Endorsements		
GCNA #3 - Equipment Endorsement		Included
GCNA #4 - Fire Department Vehicles		Included
GCNA #5 - Notice of Cancellation		Included
GCNA #8 - Replacement Cost		Included
GCNA #15 - Multiple Named Insured/Lessor		Included
#5 - Permission to Rent or Lease Automobiles and Extending Coverage to Specified Lessee(s)		Included
#20 - Coverage for Transportation Endorsement		\$900/Occurrence
#21B - Blanket Fleet Coverage		50/50
#27B - Business Operations - Liability for Damage to Non-Owned Automobiles		Included
#32 - Use of Recreational Vehicle by Unlicensed Operators		Included
#44R - Family Protection Coverage		\$1,000,000
** This policy contains a partial payment of loss clause. A deductible applies for each claim except as stated in your policy.		

## Schedule of Coverage

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

### Automobile (Transit)

Coverage Description	(\$) Deductibles	(\$) Limit of Insurance
Liability		
Bodily Injury	5,000	5,000,000
Property Damage		
Accident Benefits	5,000	As stated in Section 4 of the Policy
Uninsured Automobile		As stated in Section 5 of the Policy
Direct Compensation – Property Damage		
*This policy contains a partial payment of recovery clause for property damage if a deductible is specified for direct compensation-property damage.	5,000	
Loss or Damage**		
Specified Perils (excluding Collision or Upset)		
Comprehensive (excluding Collision or Upset)		
Collision or Upset		
All Perils	5,000	Included
Endorsements		
GCNA #5 - Notice of Cancellation		90 days
GCNA #8 - Replacement Cost		Included
#6C - Public Passenger Vehicle		10,000,000
** This policy contains a partial payment of loss clause. A deductible applies for each claim except as stated in your policy.		

### Automobile (Transit) – First Excess Liability

Coverage Description	(\$) Limit of Insurance
Excess Limits	5,000,000
<b>Underlying Policy</b>	<b>(\$) Underlying Limit</b>
Owned Automobile - Road Hazard	5,000,000

### Automobile (Transit) – Second Excess Liability

Coverage Description	(\$) Limit of Insurance
Excess Limits	5,000,000
<b>Underlying Policy</b>	<b>(\$) Underlying Limit</b>
Owned Automobile – Road Hazard	10,000,000
Owned Automobile – Passenger Hazard	10,000,000

## Account Premium

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<i>Prior Term</i>	<i>Total Annual Premium (Excluding Taxes Payable)</i>	\$ 523,907	<i>Total Annual Premium (Excluding Taxes Payable)</i>	\$ 629,410
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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).

## Non-Accumulation of Limits Agreement is Applicable to Transit Indemnity Agreement

Coverage Description	(\$) Deductibles
Third Party Liability (Bodily Injury & Property Damage)	5,000
Accident Benefits	5,000



## Cost Analysis

	Expiring Program Term	Renewal Program Term
<b>Casualty</b>		
General Liability	\$ 237,342	\$ 267,010
Errors and Omissions Liability	13,802	13,802
Non-Owned Automobile Liability	200	200
Environmental Liability	16,798	16,798
Crime	1,250	1,500
Board Members Accident	760	760
Conflict of Interest	600	600
Legal Expense	2,973	2,973
<b>Property</b>		
Property	123,839	165,557
Equipment Breakdown	14,023	14,303
<b>Automobile</b>		
Owned Automobile	90,392	118,120
Owned Automobile - Transit	15,458	20,098
<b>Excess</b>		
Follow Form	4,902	5,813
Excess Auto - 1st Layer	882	1,055
Excess Auto - 2nd Layer	686	821
<b>Total Annual Premium</b>	<b>\$ 523,907</b>	<b>\$ 629,410</b>
(Excluding Taxes Payable)		

## Changes to Your Insurance Program

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

### General Policy Change

- Effective January 1, 2020 we have updated Form GNGX408 Lloyds Additional Conditions which attaches to all policies where Lloyds is a participating carrier. The 'Notice Concerning Personal Information' section has been updated. A Sanctions Limitation and Exclusion clause has also been added to this form.

### Property Policy

- Building values have been increased in order to reflect inflationary trends.
- **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.

### Environmental Wording Changes

- We have amended the look of our Environmental Form. It is now in our standard font. We have also added quotations around defined terms throughout the wording.

We have updated the following exclusions to follow industry standard and have incorporated these into the wording.

- War
- Fungi
- Nuclear
- Terrorism
- Data
- Asbestos

Previously the Fungi, Nuclear, Terrorism, Data and Asbestos exclusions were added via separate endorsements.

**Automobile Policy**

- Replacement Cost Endorsement applies to vehicles 20 years and newer. Refer to Highlights Page for more information on fire trucks and coverage conditions.

**Non-Accumulation of Limits Agreement**

- To provide coverage for all aspects of your business operations, separate auto policies have been issued to accommodate different departments, different limits, deductibles or coverage.
- As each policy is issued in the same name, this creates a potential exposure referred to as “stacking of Insurance liability limits”. Stacking of limits exists when more than one insurance policy is potentially affected or “drawn in” to a claim when the intention was only for a single policy to be exposed.
- The “Non-Accumulation of Limits Agreement” addresses this exposure. A signed copy of this agreement will be required.