

# DECISION/DIRECTION NOTE

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**Title:** Insurance Policy Renewal  
**Date Prepared:** October 24, 2019  
**Report To:** Regular Meeting of Council  
**Councillor and Role:** Councillor Ron Ellsworth  
**Ward:** N/A

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## **Decision/Direction Required:**

### **Discussion – Background and Current Status:**

The City's insurance policies will expire at the end of October. On October 17<sup>th</sup>, 2023, Council approved a new contract with AON, our insurance broker, for a three-year period that commenced on November 1<sup>st</sup>, 2023. The City pays the broker \$210,000.00 per year in exchange for their services in Insurance Brokerage, Risk Management and other related services.

The City's insurance policies include coverage for the St. John's Regional Fire Department, St. John's Transportation Commission and St. John's Sports & Entertainment Ltd. The policies provide insurance for multiple coverages including commercial general liability, fleet, property, environmental, crime and vehicle accidents.

The City's Insurance Broker has gone to market to solicit bids from insurance underwriters interested in providing coverage to the City. General rate increases coupled with global changes in the insurance market and a 2% CPI increase (applied to all City property/equipment values), have contributed to the increase in our premium for the current renewal. Furthermore, within the last year a comprehensive review was done to update property assets to ensure appropriate coverage levels.

Given the City's risk exposure, it is not recommended that consideration be given to reducing the City's coverages. This option was discussed with the City's Insurance Broker for the renewal process; however, it would not result in any significant premium reduction. Any reduction in coverage has the potential to increase our risk exposure in the case of a significant event.

The current renewal will once again see the City contract with a group of insurance companies for its property coverage. By contracting with a group of insurers, the risk to each individual underwriter is reduced.

Last year's total premium was \$2,635,340.60. The proposed total premium this year is \$2,828,980.00.

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# ST. JOHN'S

**Key Considerations/Implications:**

1. Budget/Financial Implications: The City to pay \$2,828,980 (premium and broker's fee) to renew the City's Insurance Policy for November 1, 2024 – November 1, 2025.
2. Partners or Other Stakeholders: AON, Aviva, Everest, Swiss Re, SSRU, Echelon, AWAC, Intact/Liberty, Markel, Beneva, Lloyd's of London-Linx Underwriting, Residents of the City, General Public
3. Is this a New Plan or Strategy: No
4. Alignment with Strategic Directions:  
A Sustainable City: Be financially responsible and accountable.  
An Effective City: Ensure accountability and good governance through transparent and open decision making.
5. Alignment with Adopted Plans: N/A
6. Accessibility and Inclusion: N/A
7. Legal or Policy Implications: Provides appropriate insurance coverage for City assets and operations including SJSEL and SJTC (Metrobus).
8. Privacy Implications: N/A
9. Engagement and Communications Considerations: N/A
10. Human Resource Implications: N/A
11. Procurement Implications: N/A
12. Information Technology Implications: N/A
13. Other Implications: N/A

**Recommendation:**

That Council approve the insurance renewal premium for 2024-25 in the amount of \$2,828,980.

**Prepared by: Justin Crickard**

**Approved by: Cheryl Mullett**

**Report Approval Details**

Document Title:	Insurance Policy Renewal 2024-25.docx
Attachments:	
Final Approval Date:	Oct 24, 2024

This report and all of its attachments were approved and signed as outlined below:

**Cheryl Mullett - Oct 24, 2024 - 10:50 AM**