

Municipal General Insurance Programs Report

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Association of Manitoba Municipalities and
Western Financial Group Insurance Solutions websites:**

www.amm.mb.ca

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Property & Casualty Program Structure

- Unique AMM-Member owned “Protected self-insurance” program, with annual AMM-held loss pool that pays 1st portion of claims
- Completely different from other types of insurance – Ownership and Control
- Excess insurance provided by commercial insurers for complete protection
- Un-used loss pool funds belong to Municipalities

Property & Casualty Program Structure cont'd

- “Guaranteed new replacement cost” protection for buildings, also for mobile machinery and equipment up to 10 years old
- Includes increased costs due to building code / by-law requirements
- \$25,000,000 liability protection
- Crime, boiler and accident coverage

April 1, 2011 Property/Casualty Renewal

- WFGIS periodically tenders the excess insurance coverage to 20-25 insurers to ensure that we get the best rates available
- 10 insurers share the program risks
- Program has been set up to provide long term stability
- Municipalities maintain ownership and control of their insurance program

April 1, 2011 Property/Casualty Renewal Program Claims Experience

Apr 1/06-07	\$ 4,715,310
Apr 1/07-08	\$ 17,761,502
Apr 1/08-09	\$ 2,931,225
Apr 1/09-10	\$ 7,098,186
Apr 1/10-11	\$ 3,788,018
5-Yr Average	\$ 7,258,848
7 Months to Oct 31/11	\$ 4,331,510

April 1, 2011 Property/Casualty Renewal and Five Year History

	April 1, 2007 Renewal	April 1, 2008 Renewal	April 1, 2009 Renewal	April 1, 2010 Renewal	April 1, 2011 Renewal	April 2011 Increase from 2007
Total Insured Values	\$2,493,333,000	\$3,288,418,000	\$3,284,735,000	\$3,475,145,000	\$3,547,211,000	42.3%
Self-Insurance Funding	\$4,000,000	\$5,500,000	\$5,500,000	\$6,100,000	\$6,100,000	52.5%
Excess Insurance Cost, incl AMM	\$3,511,099	\$4,491,245	\$4,506,863	\$4,643,123	\$4,779,113	36.1%
Total Annualized Cost to Munic's	\$7,511,099	\$9,991,245	\$10,006,863	\$10,743,123	\$10,879,113	44.8%
Average Rate Per \$100	\$ 0.30	\$0.30	\$0.30	\$0.31	\$0.31	3.3%

Financial Stability – Loss Pool Refund

- Estimated total value of insured property has increased from \$2.5 Billion to \$3.5 Billion over the last 5 years
- Self-insurance funding (for potential premium refunds) has increased 52.5% from \$4.0 MM annually to \$6.1 MM annually

Financial Stability–Loss Pool Refund cont'd

- Program surplus \$4,151,000 as at October 31, 2011
- 5 months claims left to go in current year; current year claims trend is towards \$5,500,000-\$6,000,000
- In calculating annually the amount (if any) to be refunded, \$2,000,000 is always retained for “Incurred-But-Not-Reported” claims (owned by municipalities)

Financial Stability—Loss Pool Refund cont'd

- \$2,227,000 in excess Loss Pool Premium was returned to Municipalities in June 2011
- \$4,901,700 in Loss Pool Premium has been returned to Municipalities over the past 10 years

Risk Management

- WFGIS will continue to conduct inspections of the larger municipal buildings and facilities to assess hazards and make recommendations to reduce claims
- We also check building construction and sizes for valuations

Risk Management cont'd

- We continue to conduct Risk Management seminars at AMM MOS sessions and Municipal Group Conferences and present playground safety courses
- We have worked with the AMM to develop resources and contacts that Manitoba Municipalities can draw on to assist with the development of their Safety and Health Plans and Staff Training Programs

Health and Dental

- Self-insured since Jan/05, with claim payment services by Manitoba Blue Cross
- Accumulated surplus owned by municipalities \$369,000 as at September 30, 2011
- Average annual premium rate increase 4.5% since self-insured, much lower than other group benefit plans; anticipate January 2012 increase 4%, somewhat higher for high-claimers.

Health and Dental cont'd

- 135 municipalities participate, plus 186 others like conservation, recreation, planning, and weed districts, and retirees
- 1,557 employees/Councillors insured, 3,817 including dependents
- Total premiums now \$3,839,000 annual



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Thank You