



# Municipal General Insurance Programs Report

Copies will be posted on the  
Association of Manitoba Municipalities and  
Western Financial Group Insurance Solutions websites:

[www.amm.mb.ca](http://www.amm.mb.ca) [www.westernfgis.ca/amm](http://www.westernfgis.ca/amm)



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## Property & Casualty Program Structure

- Unique AMM-Member owned “Protected Self- Insurance” Program, with annual AMM-held loss pool that pays 1<sup>st</sup> portion of claims
- Completely different from other types of insurance – **Ownership and Control**
- Excess insurance provided by commercial insurers for complete protection
- Unused 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
- \$35,000,000 liability protection
- Crime, boiler and accident coverage



## April 1, 2016 Property/Casualty Renewal

- WFGIS periodically tenders the excess insurance coverage to 20-25 insurers to ensure that we get the best rates available
- 11 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, 2016 Property/Casualty Renewal Program Claims Experience

Apr 1/11-12	\$ 6,071,600
Apr 1/12-13	\$ 4,817,211
Apr 1/13-14	\$ 7,500,067
Apr 1/14-15	\$ 5,738,120
Apr 1/15-16	\$ 7,929,746
5-Yr Average	\$ 6,411,349
7 Months to Oct 31/16	\$ 6,251,340



## April 1, 2016 Property/Casualty Renewal and Five Year History

	April 1, 2012 Renewal	April 1, 2013 Renewal	April 1, 2014 Renewal	April 1, 2015 Renewal	April 1, 2016 Renewal	April 2016 Increase from 2012
Total Insured Values	\$3,762,119,000	\$3,988,644,000	\$4,275,563,000	\$4,517,591,000	\$4,681,073,000	27.6%
Self-Insurance Funding	\$6,100,000	\$6,100,000	\$6,100,000	\$6,100,000	\$6,100,000	00.0%
Excess Insurance Cost, including AMM	\$5,173,575	\$5,624,416	\$6,157,346	\$6,696,424	\$7,116,742	37.5%
Total Annualized Cost to Municipalities	\$11,273,575	\$11,724,416	\$12,255,873	\$12,796,424	\$13,216,742	17.2%
Average Rate Per \$100	\$0.30	\$0.30	\$0.29	\$0.28	\$0.28	



## Financial Stability – Loss Pool Refund

- Estimated total value of insured property has increased from \$3.5 Billion to \$4.7 Billion over the last 5 years
- Program surplus \$2,274,157 as at October 31, 2016
- 5 months claims left to go in current year; current year claims trend is towards \$6,500,000-\$7,000,000





## Financial Stability – Loss Pool Refund cont'd

- 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)
- \$6,792,100 in Loss Pool Premium has been returned to Municipalities over the past 10 years



## Risk Management

- WFGIS continues to conduct inspections of municipal buildings and facilities to assess hazards and make recommendations to reduce claims
- We regularly assess building construction details to verify valuations
- We have completed 296 inspections and reviews of municipal facilities in the past year



## 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 work 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
- We are regularly consulted by Municipalities on Liability and Risk Management issues



## Health and Dental

- Self-insured since Jan/05, with claim payment services by Manitoba Blue Cross
- Accumulated surplus owned by municipalities \$630,000 as at September 30, 2016
- Average annual premium rate increase 3.6% since self-insured, much lower than other group benefit plans; anticipate 4.7% increase for January 2017



## Health and Dental cont'd

- 86 municipalities participate, plus 63 others like conservation, recreation, planning, and weed districts, and 266 retirees
- 2,107 employees/Councillors insured, 5,168 including dependents
- Total premiums now \$5,630,000 annual



# Thank You