



---

---

## STAFF REPORT

---

---

**TO:** Chief Administrative Officer  
**FROM:** Ronnie Gill, Director of Finance  
**SUBJECT:** INSURANCE RENEWAL  
**MEETING DATE:** OCTOBER 28, 2025

---

### PURPOSE

This report is to provide Council with an update on the annual fleet and property insurance renewals.

### BACKGROUND

In 2023, property insurance services were awarded to Aon Reed Stenhouse for a five-year period. The property insurance term starts November 1, 2023, and ends October 31, 2028.

Last year Aon Reed Stenhouse advised that the Town must undertake an appraisal of Town property for insurance purposes to avoid a margins clause. Pacific Rim Appraisals was awarded this contract in late 2024 with the appraisal completed in April 2025.

The Town's fleet insurance also expires October 31 annually and is renewed with Westland Insurance.

### IMPLICATIONS

**a. Financial:**

The property insurance renewal premium is \$160,889 (2025/2026.)  
The expiring premium was \$136,035 for a cost increase of \$24,854.

See table for breakdown of fees:

	Insurer	Limits	Expiring Premium	Renewal Premium
<b>Principal Property and Casualty Coverages</b>				
Property and business interruption	Intact	60,431,576	113,857	137,999
Equipment breakdown and business interruption	BI&I	61,000,000	2,450	2,760
Crime			4,400	4,400
Hull & Machinery			1,500	1,500
Accidental Death & Dismemberment			432	432
<b>Aon Annual Service Fee</b>			13,396	13,798
<b>Total</b>			136,035	160,889

- The insurance costs for 2025 will exceed the budget by approximately \$4,800.
- The budget for 2025 is \$180,000 and the cost for the year are estimated at \$184,724.
- Value of assets insured under the proposal is \$60,431,576. This is an increase of \$16.6 million from last years insured value of \$43,833,008.
- An appraisal of the Town’s assets was completed in April 2025 by Pacific Rim Appraisals Ltd. The increase in value of property insured is due to the revised costs which in turn increases the cost of the insurance premiums.
- The cost of the insurance has also increased due to increased coverages for the following:

	<u>Expiring</u>	<u>Renewal</u>
- automatic coverage limits	\$1m	\$2m
- property under construction	\$1m	\$2m
- property in transit	\$250,000	\$500,000
- land and water pollution clean up	\$100,000	\$500,000
- ingress/egress	\$100,000	\$500,000
- The deductible has been increased to \$25,000 from \$10,000. The insurance provider highlighted last year that this change was coming, the Town was one of the few municipalities that was able to renew with a deductible of \$10,000 last year.
- Aon negotiated a 10% rate decrease on the Town’s behalf with the carriers (Intact and BI&I) when they went out for market quotes.

- The cost of the fleet insurance has not yet been finalized. The estimated cost for 2025/2026 is \$41,155. Last years cost was \$37,953.
  
- b. Policy/Legislation:**  
N/A
  
- c. Strategic Priority:**  
N/A
  
- d. Sustainability:**  
N/A
  
- e. Communication:**  
N/A
  
- f. Staffing Implication:**  
N/A

**OPTIONS:**

Option 1

Renew the insurance proposal from Aon Reed Stenhouse at a cost of \$160,889 for the renewal term November 1, 2025, to October 31, 2026.

And renew the fleet insurance with Westland Insurance at cost not to exceed \$43,000.

Option 2 Do not renew property and fleet insurance.

**Recommendations**

Option 1

Signed:

**Ronnie Gill**

Ronnie Gill, CPA, CGA

Director of Finance

Concurrence:

**John T**

John Thomas

Chief Administrative Officer