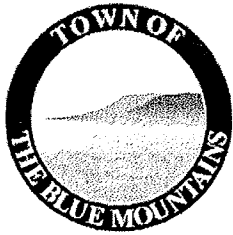


STAFF REPORT: Finance Department



REPORT TO: Finance and Admin Committee
MEETING DATE: March 12, 2007
REPORT NO.: FS. 07.02
SUBJECT: Insurance Coverage for Council Members, Staff and Volunteers
PREPARED BY: Sherri Adams, Manager of Purchasing

A. Recommendations

THAT Council receive Staff Report # FS.07.02 "Insurance Coverage for Council Members, Staff and Volunteers" which outlines the liability insurance coverage for Council members and Staff while exercising their Municipal duties; and coverage for Volunteers who devote their time to activities approved by and on behalf of the Town.

B. Background

The Town's Liability insurance extends to include council, staff and volunteers (defined as Persons Insured under the Town's Policy) but only while performing their municipal duties. When a claim is filed naming the Town, the Town's policy will respond. If the Town and specific individuals at the Town are named, the policy will again respond.

Legal Expenses including Conflict of Interest coverage is \$100,000 with an Annual Aggregate of \$500,000. This part of the policy would respond in the event that only an insured individual of the Town was named in a suit, and not the Town. The coverage is for legal expenses only for that individual, and does not include coverage for damages and or awards. In all cases, the individuals must be performing their municipal duties.

The Town's coverage limit is \$50,000,000 for both Municipal Liability and Errors & Omissions Liability subject to the Deductibles (which are \$25,000 per claim). The Town being the Policy holder would pay the deductibles.

The policy will pay a maximum of \$50,000,000 for each of these coverage's within a policy year, regardless of the number of claims or claimants.

Municipal Volunteer Accident

This coverage provides protection for injury to volunteers while performing approved activities on behalf of the Town. Since they are not employees, and

not covered under the Town's WSIB coverage, this policy offers some protection. There is no deductible.

C. The Blue Mountains' Strategic Plan

Strategy Goal #6 reads "Providing a strong well managed municipal government." Liability insurance is important in attracting and retaining high quality staff. It also allows the members of council to make decisions that they believe to be in the best interest of the Town.

D. Budget Impact

Not applicable.

E. Attached

1. Named Insured Definition provided by Jardine Lloyd Thompson (2 pages)
2. Councillors' Accident Summary (1 page)
3. Councillors' Recovery Assistance Plan (1 page)
4. Municipal Volunteer Coverage (1 page)

Respectfully submitted,

Sherri L. Adams



3. INSURED:

The Insured means

- (a) NAMED INSURED meaning the municipality named in the Declaration Page
- (b) SUBSIDIARY INSURED meaning any existing or future entity established by under the control of answerable to or the responsibility of the Named Insured other than as excluded by Endorsement
- (c) PERSONS INSURED
 - (i). the Head and any member of Council of the Named Insured and any person elected or appointed to any Subsidiary Insured but only while in the performance of his/her duties for said Named Insured or Subsidiary Insured
 - (ii). any statutory officer Employee or Volunteer worker (including parents or guardians of minors) of the Named Insured or any Subsidiary Insured except a member of the Police Force but only while acting on behalf of the Named Insured or Subsidiary Insured or while in the performance of any statutory duty
 - (iii). any member of the Police Force of the Named Insured who was as determined by the Board of Commissioners of Police of the Named Insured acting in the performance of his/her duties as a member of the said Police Force or was performing a statutory duty or acting as a volunteer with respect to sports teams and other youth activities sanctioned or organized by the Board of Commissioners of Police of the Named Insured
 - (iv). the heirs executors administrators assigns and legal representatives corporate or otherwise of the Persons Insured as defined in the Insuring Agreement 3(c) (i) (ii) and (iii) in the event of death incapacity or bankruptcy of such persons
 - (v). Councilors Board Members Officers Employees Volunteers and Foster Parents while acting in their capacity as such



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- (d) ADDITIONAL INSUREDS meaning
- (i). owners or general lessees of property where the Named Insured or Subsidiary Insured is a tenant and his lease requires that he add the owner or general lessee as an additional interest but only in regard to liability arising out of being owner or general lessee of such property and only to the extent required by such lease and to the applicable Limits of Liability
 - (ii). any person government organization trustee or estate to whom or to which the Named Insured or Subsidiary Insured is obligated by virtue of a written contract or permit to provide insurance such as is afforded by the terms of this Policy but only with respect to operations by or on behalf of the Named Insured or of any Subsidiary Insured or to facilities of or used by the Named Insured or any Subsidiary Insured and then only to the extent required by such contract and for the Limits of Liability specified in such contract
 - (iii). any social or recreational association or club which is operated by or for the benefit of the employees of the Named Insured or any Subsidiary Insured organizing activities such as team sports or events such as retirement and Christmas parties and any person while participating in the activities organized thereby

COUNCILLORS' ACCIDENT

DESCRIPTION:

This policy pays benefits to Insured Persons who suffer bodily injury caused by an accident. The coverage is written on a **24-hour** basis, except weekly indemnity, which is applicable only while traveling on the business of the Public Entity. Please see the Summary of Coverage Limits, Deductibles and Premiums.

LIMITS OF INSURANCE:

| | | |
|--|----------------------------|---------------|
| Death or Dismemberment & Loss of Use | \$200,000 | Principal Sum |
| Paralysis | \$400,000 | |
| Permanent total disability | \$200,000 | |
| Weekly Accident Indemnity – Total Disability (If gainfully employed) | \$ 500 | |
| Weekly Accident Indemnity – Total Disability (If <u>not</u> gainfully employed) | \$ 300 | |
| Weekly Accident Indemnity – Partial Disability | \$ 250 | |
| Accidental Dental Reimbursement Benefit | \$ 1,250 | |
| Funeral Expense Benefit | \$ 10,000 | |
| Spousal Retraining Benefit | \$ 10,000 | |
| Spousal Benefit | \$200,000 | |
| Family Transportation Benefit | \$ 10,000 | |
| Home Alteration & Vehicle Modification Benefit | \$ 10,000 | |
| Repatriation Benefit | \$ 10,000 | |
| Rehabilitation Benefit | \$ 10,000 | |
| Education Benefit | \$ 10,000 | (maximum) |
| Day Care Benefit | \$ 5,000 | (maximum) |
| Seat Belt Benefit | \$ 20,000 | |
| Daily Hospital Indemnity Expense | \$ 71.43 | |
| *Accidental Medical Reimbursement Benefit | \$ 10,000 | |
| Fracture and Dislocation Benefit | Various Specified Benefits | |
| Aggregate Limit any one aircraft accident | \$2,000,000 | |

*NOTE: Accidental Medical Reimbursement Benefit expenses include such items as Nurse, ambulance service, semi-private accommodation, wheelchair rental, physiotherapist, prescription drugs, hearing aids, crutches, splints, casts, prosthetic appliances, and chiropractic services.

POLICY COVERAGE AND CONDITIONS:

- In the event of death of the Insured Person, benefit is paid automatically to the Estate of the Insured Person, unless a specific Beneficiary is declared to the Public Entity prior to the claim occurring.

EXCLUSIONS (include but not limited to):

- Full time fire fighters or police officers
- War
- Sickness or disease
- Persons while acting in their duty as an aircraft pilot or crew member
- Individual not covered under any Federal or Provincial health plan

NAMED INSURED:

Includes members of Council; members of commissions, boards, or other special units; and other employees of the Public Entity, which the Public Entity has declared and for whom premium has been paid.

COUNCILLORS' RECOVERY ASSISTANCE PLAN

DESCRIPTION:

This policy pays benefits to Insured Persons under age 65 who are diagnosed by a Canadian specialist with a covered critical illness and survives for thirty (30) days following the date of diagnosis or such longer period as described in Section 4 of the policy. This policy also provides a Medical Referral Assistance Benefit to Insured Persons under age 80 who are diagnosed with a covered critical illness.

COVERED CRITICAL ILLNESSES:

| | |
|-------------------------|---------|
| Life threatening Cancer | \$5,000 |
| Heart Attack | \$5,000 |
| Stroke | \$5,000 |
| Renal (kidney) failure | \$5,000 |
| Paralysis | \$5,000 |
| Major Burns | \$5,000 |
| Coma | \$5,000 |
| Multiple Sclerosis | \$5,000 |
| Benign Brain Tumour | \$5,000 |

POLICY COVERAGE AND CONDITIONS:

- In the event of a covered critical illness of the Insured Person, benefit is paid automatically to the Insured Person.
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EXCLUSIONS (include but not limited to):

- Intentional self inflicted injury
- Use of illegal drugs or substances
- Negligent or non-compliant in seeking medical treatment
- Participation in high risk activities such as hang-gliding, parachuting or other as fully defined in the policy
- While operating a motor vehicle with blood alcohol greater than 80 milligrams per 100 millimetres of blood
- Persons while acting in their duty as an aircraft pilot or crew member
- War
- Police Officer

ADDITIONAL LIMITATIONS:

- No critical illness benefit will be payable if cancer is diagnosed, or if a heart attack is suffered, within 90 days of the retroactive or last reinstatement date.
- No critical illness benefit will be payable for a pre-existing condition 24 months prior to the retroactive or last reinstatement date
- No critical illness benefit will be payable for a second or subsequent occurrence of a critical illness during or prior to the retroactive or last reinstatement date

NAMED INSURED:

Includes elected or appointed and declared officials of the Public Entity and non elected officials working minimum 15 hours per week, such as Clerk, Treasurer, CAO, CFO, Manager, Superintendent, or as otherwise specifically named, and for whom a premium has been paid.

Municipal Volunteer Coverage

In every Municipality, Volunteers are a key component in providing community services. It is too often that when citizens volunteer their time for the municipality, insurance coverage is not available to protect these individuals when they get injured while Volunteering. VFIS has recognized this situation and has put together a comprehensive plan to protect those Volunteers when acting on behalf of the Municipality. Isn't it time to protect those who Volunteer for your Municipality?

Ask your local broker for more details on how your municipality purchase this inexpensive coverage.

- Annual Maximum Benefit
- Personal and Family Protection
- Accidental Death and Dismemberment
- Sickness and Hospitalization
- Personal Injury
- Accidental Injury
- Partial Disability
- Total Disability
- Total Medical Expense
- Medical Expense
- Family Income Protection
- Rehabilitation
- In-hospital Benefit
- Home Alteration & Vehicle Modification

Note: This plan is for those volunteers under the age of 80. Total Disability is payable for 52 weeks for employed and for the time employed in a package for 13 weeks. There is a 5 day waiting period - disability is paid on the 16th day due to an accident.



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