

To Extend the Group Property and Automobile Insurance Program for an Eight Month Period to Expire on March 31, 2011

Date:	July 9, 2010
To:	Government Management Committee
From:	Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2010\Internal Services\Cf\Gm10037cf (AFS #11704)

SUMMARY

The City's agreement with The Personal Insurance Company to provide interested City employees and elected officials with a Group Property and Automobile Insurance Program expires on July 31, 2010. This report recommends that Council authorize extending the agreement until March 31, 2011 to allow sufficient time for staff to conduct a formal Request for Proposals and report the results to Council following the October 25, 2010 municipal election.

Council's adoption of this report will extend the City's existing agreement with The Personal Insurance Company, from July 31, 2010 to March 31, 2011 at no cost to the City.

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that:

1. City Council authority be granted to staff to extend the agreement with the Personal Insurance Company to provide interested City employees of City Divisions, Agencies, Boards, Commissions and Elected Officials with a Group Property and Automobile Insurance Program for an 8 month period, to expire on March 31, 2011.

2. City Council authority be granted to staff to amend the agreement with The Personal Insurance Company to extend the same terms and conditions for a further 8 month period, from July 31, 2010 to expire on March 31, 2011.

Financial Impact

There will be no financial implications arising from this report

DECISION HISTORY

At its July 19, 20, 21 and 26, 2005 meeting, City Council adopted Administration Committee Report No. 6, Clause 6, thereby approving the results of RFP No. 9105-05-7066 which recommended that the City enter into an agreement with The Personal Insurance Company as the provider of a Group Property and Automobile Insurance Program to employees and elected officials. The City's agreement with the Personal Insurance Company expires on July 31, 2010.

<http://www.toronto.ca/legdocs/2005/agendas/council/cc050719/adm6rpt/c1006.pdf>

ISSUE BACKGROUND

The Group Property and Automobile Insurance Program provides interested City employees and elected officials with the opportunity to voluntarily obtain confidential quotation for many types of personal insurance policies, such as automobile, homeowners, condominium owners, tenant packages, seasonal residences, boats and other special property insurance coverage, such as mechanic's tools, jewellery, furs and fine arts.

There is no premium, commission or other direct cost to the City of Toronto to offer a Group Property and Automobile Insurance Program to its employees and elected officials. The program is entirely voluntary and each transaction is confidential between the Council Member or employee and the insurance company. The program provides better rates and broader coverage than usually available to individuals in the marketplace. Such programs generally enhance the value of the City's total benefit package, at no additional cost to the City.

COMMENTS

Since its inception on July 31, 2005, the Group Property and Automobile Insurance Program has been well received by City employees and elected officials. The following is an information chart which shows the steady growth of the number of employees participating in the program and demonstrates City employees' and Elected Officials' interest in the program:

Participation in Group Property and Home Insurance Program

Year	Policies Issued	Increase Policies Issued	% Policy Increase
2005	4,657	1,655	55.1%
2006	6,904	2,247	48.2%
2007	7,819	915	13.3%
2008	8,168	349	4.5%
2009	8,439	271	3.3%
2010	8,963	524	6.2% *

*For period January 1 to May 31, 2010

Note: Prior to the inception of the program in 2005, a total of 4,657 insurance policies had been issued through legacy programs that existed prior to amalgamation.

The above table shows the increase in the number of policies that were issued by the Personal Insurance Company for each year.

Insurance & Risk Management staff will publicly tender for a provider of the program and will report the results for City Council approval in the new year. An extension of the existing agreement is recommended in order for staff to more thoroughly explore revenue sharing options and to ensure that the interests of other City Divisions such as Pensions, Payroll & Employee Benefits, Human Resources, Strategic Communications and the Partnership Office are included in a successor program. Due to the upcoming Municipal Election on October 25, 2010, the RFP results will be reported in early 2011.

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SIGNATURE

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