



THE CORPORATION OF THE MUNICIPALITY OF KINCARDINE

Subject: Facility User Insurance Program

Report Number: Treasury-2020-23

Meeting Date: Monday, January 18, 2021

Recommendation: THAT Council authorize the implementation of the Facility User Insurance Program effective January 25th, 2021;

AND THAT the 2021 Consolidated Rates and Fees By-Laws be amended to reflect the addition of the insurance premiums to the users' invoices.

Date to be considered by Council: Monday, January 18, 2021

Report Summary: The purpose of this report is to obtain Council's approval to implement the Facility User Insurance Program for users who rent municipal facilities, and to amend the Rates and Fees By-Law accordingly.

Origin: By-Law No. 2020-041

Existing Policy: N/A

Background/Analysis: The Municipality issued an insurance RFP at the end of 2019, with Frank Cowan being the successful proponent. One of the value-added services Frank Cowan offers is the Facility User Insurance Program. In order to implement this program, Council must endorse and authorize this program and include the user-fee premiums in the 2021 Rates and Fees By-Law.

The Facility User Insurance Program enhances the general insurance program offered by Frank Cowan and transfers the risk to the end user. The intention of the insurance coverage is to protect facility users from financial exposure resulting from claims that may result during their activity or event. There are advantages to both the User and the Municipality, including:

- It serves as a promotion/sales tool for the Municipality to attract more users by having insurance readily available at reasonable rates.

- It provides the Municipality with direct knowledge of the insurance policy, including its terms, conditions, limitations, and the financial stability of the insurer without depending upon the User to find suitable insurance.
- The User is relieved of the need and difficulties of finding acceptable insurance and of providing their own Certificate of Insurance.
- It eliminates the expensive minimum premium cost to the User for “one-shot” policies.
- It eliminates the need for the Municipality to require a Certificate of Insurance from the Users.

This insurance will apply to all rented facilities and sports fields owned and operated by the Municipality. If the facility user does not possess adequate liability insurance, it will be made available at the time of the booking. Alternatively, the user may use an existing insurance policy, naming the Municipality as an additional insured.

The premium will be added to the Rental Agreement through Active Net. This would exclude any organizations that currently have their own insurance, i.e. minor hockey, school boards, etc. Rates are predetermined based on the perceived risk categories associated with the type and duration of the activity or event being insured; as shown in the attached appendix. For repeat bookings, an annual fee would be charged, also based on the rates in the attached appendix. For special events not listed in the rates schedule, a separate rate referral from the insurer may be required.

The Municipality will initially pay an initial \$4,000 deposit to Frank Cowan to initiate the program. The Recreation Department will keep track of all the premiums received. Upon annual renewal of the insurance program (April 1st), the amounts will be reconciled with Frank Cowan for over/under payment.

Corporate Strategic Plan 2020-2025:

Financial Implications: A \$4,000 deposit will be provided to Frank Cowan Company to initiate the program. As premiums are collected, they will draw down the deposit and will be reconciled upon renewal of the insurance program every April; therefore there is no impact on the budget (flow-through).

Attachments: Frank Cowan Company Facility User Rates