

## Dufferin County faces 55 percent hike for general liability insurance

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Dufferin County has been smacked with a large insurance rate increase.

Dufferin County was hit with what Coun. John Creelman dubbed to be a "pretty significant increase" of 55 per cent in its general liability insurance premium rate accompanied by a quadrupling of the deductible previously faced.

The county's insurance provider went from requiring a \$25,000 deductible to one of \$100,000 per claim for the first \$5 million "because that is how the (insurance) industry has fashioned its policies," said Coun. Creelman, who is also Mono's deputy mayor.

The county had allowed \$651,260 in the 2020 budget to cover the insurance premium. The insurance provider's increase creates a \$287,392 shortfall that the county will cover from its Rate Stabilization Reserve fund.

"There is nothing in our claims history that would have triggered this," Coun. Creelman said.

AON Reed Stenhouse Inc. has been the county's insurer since 2016. Staff recommended in 2019 that Dufferin County remain with AON for 2020 and 2021. That coverage extends to all county properties other than social housing buildings.

The 2020 premium is up by 55 per cent from 2019 and 62 per cent from 2017, the first year that included Cyber coverage. Increases in 2018 and 2019 had been minimal. The general liability premium was frozen for the first three years with AON.

County Treasurer Alan Selby said in a report to the general government services committee that the decision last year to remain with AON was based on reassurances from AON there would only be moderate premium increases in line with previous years.

Coun. Creelman said he suspects Dufferin municipalities will also experience increases to their respective general liability insurance policies.

County staff has also been directed to request proposals for insurance that includes a general liability retention amount of \$100,000 for 2021 and 2022.

The treasurer's report indicated the county has a good claims history and ought to be considered as a moderate level of risk by insurers. County properties were appraised in 2019, and the results confirmed the insurance coverages provided property values used up to 2019 were not in need of increases.

"For these and other reasons, the county did not expect major premium increases in 2020," Mr. Selby reported.

According to the report to the general government services committee, AON indicated to the county that increased losses in the insurance industry have been caused by "challenging market segments like municipal liability."

In other words, the increases in the 2020 GL policies are largely driven by the wider municipal marketplace, by the size of recent claim settlements, and by increased claim volumes, such as cyber crimes and frauds/ransoms seen recently in Ontario, for all municipalities, and not just Dufferin County.