



Municipal Insurance Association of British Columbia

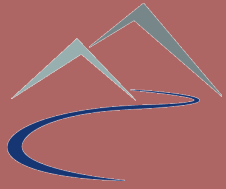
Local Government Leadership Academy



2012 Elected Officials Seminar

Insurance Crisis in B.C.

- ∞ By 1985, over half of British Columbia local governments liability insurance premiums increased by 500% or more.
- ∞ Deductibles increased by 500% or more for over 60% of UBCM's members.
- ∞ Coverage limits dropped to \$1 million or \$2 million per claim.
- ∞ Most seriously, available policies no longer covered major liability exposures faced by local governments.

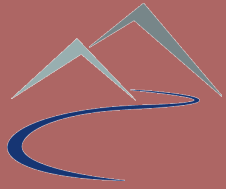


Enter the UBCM

The UBCM Set up a task force
to explore Group Self Insurance

Advantages of Self-Insurance

- ⌘ Stability
- ⌘ Lower Costs
- ⌘ Risk Management
- ⌘ Flexibility - Customize Insurance Programs
- ⌘ Access to Reinsurance
- ⌘ Reduced Reliance on the Insurance Market
- ⌘ Ability to Direct Investments
- ⌘ Control of Claims Handling



Potential Drawbacks

∞ Volatility of the Reinsurance market

∞ Capital Commitment

∞ Risk of a special assessment



Pooling Requirements

- ∞ Bear *some* of each other's risks.
- ∞ Long-Term Commitment
- ∞ Commonality

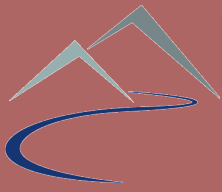


UBCM 1987 Resolution

To establish the Municipal Insurance Association
with the following 3 goals:

- ∞ Broad Coverage
- ∞ Risk Management
- ∞ Stability





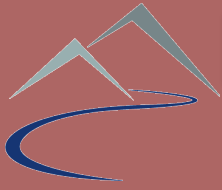
Municipal Insurance Association of British Columbia

On December 1, 1987 the MIABC began operations with:

∞ 144 founding local governments.

∞ Liability Coverage \$5 Million Limit

- Bodily Injury
- Property Damage
- E&O



Municipal Insurance Association of British Columbia

Today, the MIABC has:

∞ 170 local governments (up from 144).

∞ Liability Coverage \$35 Million Limit (up from \$5 million)

Broad Policy

All risk policy, with only a few exclusions.

- ☐ Nuclear Hazards
- ☐ Airports
- ☐ Fines
- ☐ Intentional Acts
- ☐ Breach of Contract
- ☐ Wrongful Dismissal
- ☐ Leaky Condos
- ☐ Personal injury between council members

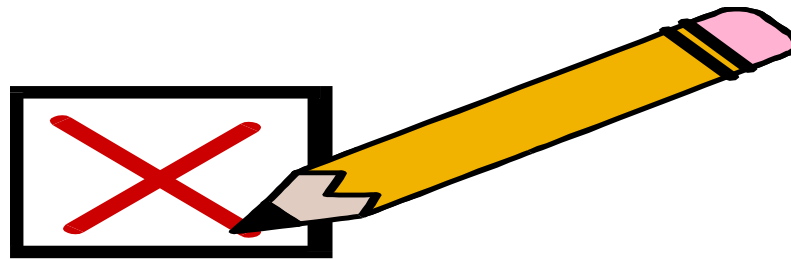
Broad Policy

The MIABC covers:

- ❑ Anywhere
- ❑ Volunteer Firefighters
- ❑ Building Inspectors
- ❑ Sudden & Accidental Pollution
- ❑ Societies created by Council
- ❑ Asbestos, Fungi
- ❑ Terrorism, Cyber Risks
- ❑ Non-commercial Marine Liability
- ❑ Joint entities with other MIABC members
- ❑ Forest Fire Fighting Expenses

Broad Policy

☒ Volunteer Accident Insurance



Risk Management

The MIABC provides:

- ☒ Site Inspections
- ☒ Training
- ☒ Risk Management Grants
- ☒ On-line Risk Management Library
- ☒ Telephone & E-mail support

Training: Policy Defence



∞ *Policy – level of service to be provided by municipal staff that is determined by elected officials and/or management.*

Policy Defence

∞ A True Policy:

- Financial, economic, social/political factors or constraints



Policy Defence

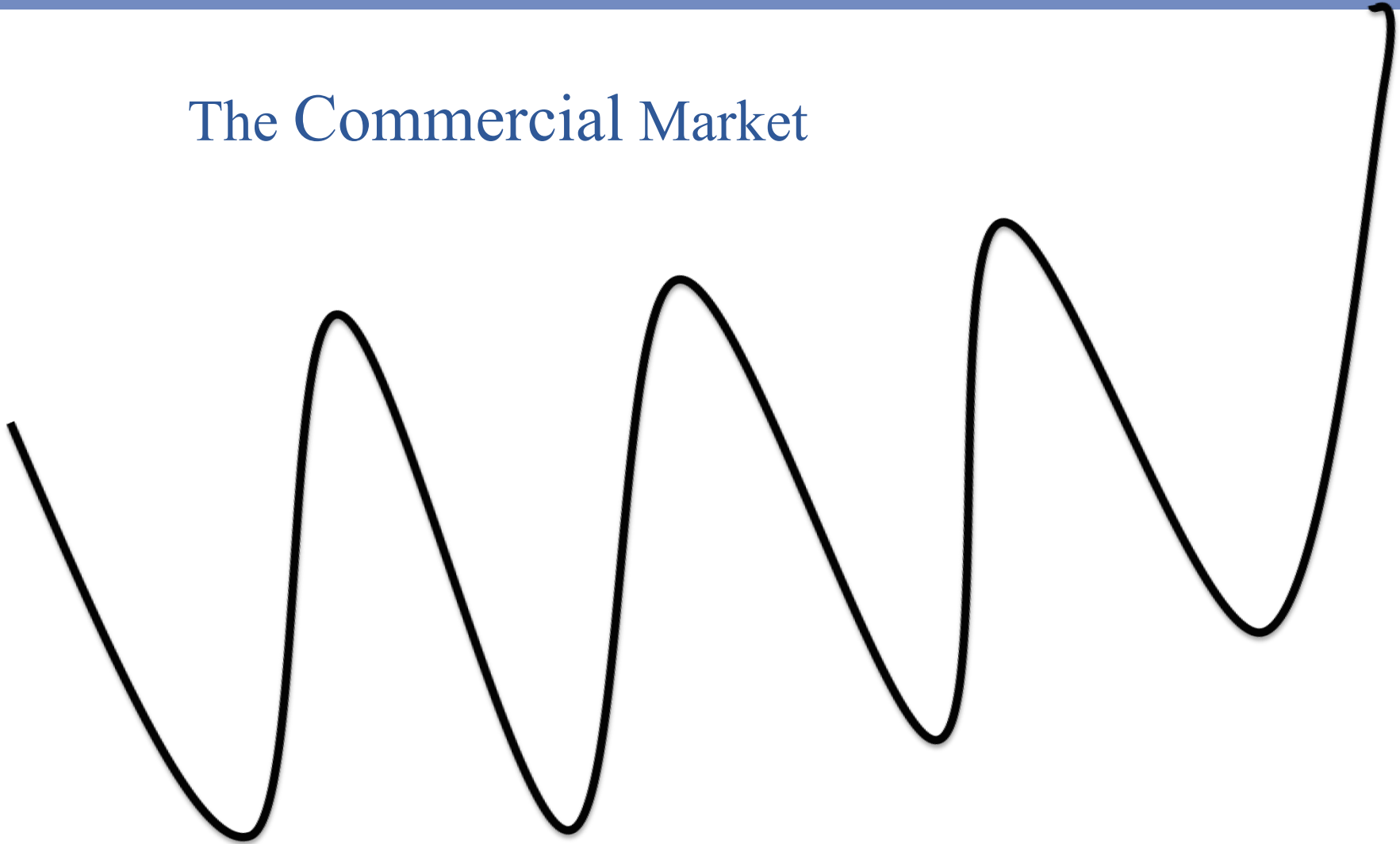
∞ *Operational aspect:*

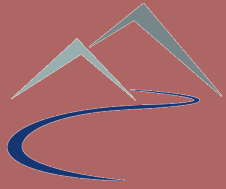
- *Carries out the policy*
- *Document*



Stable Rates

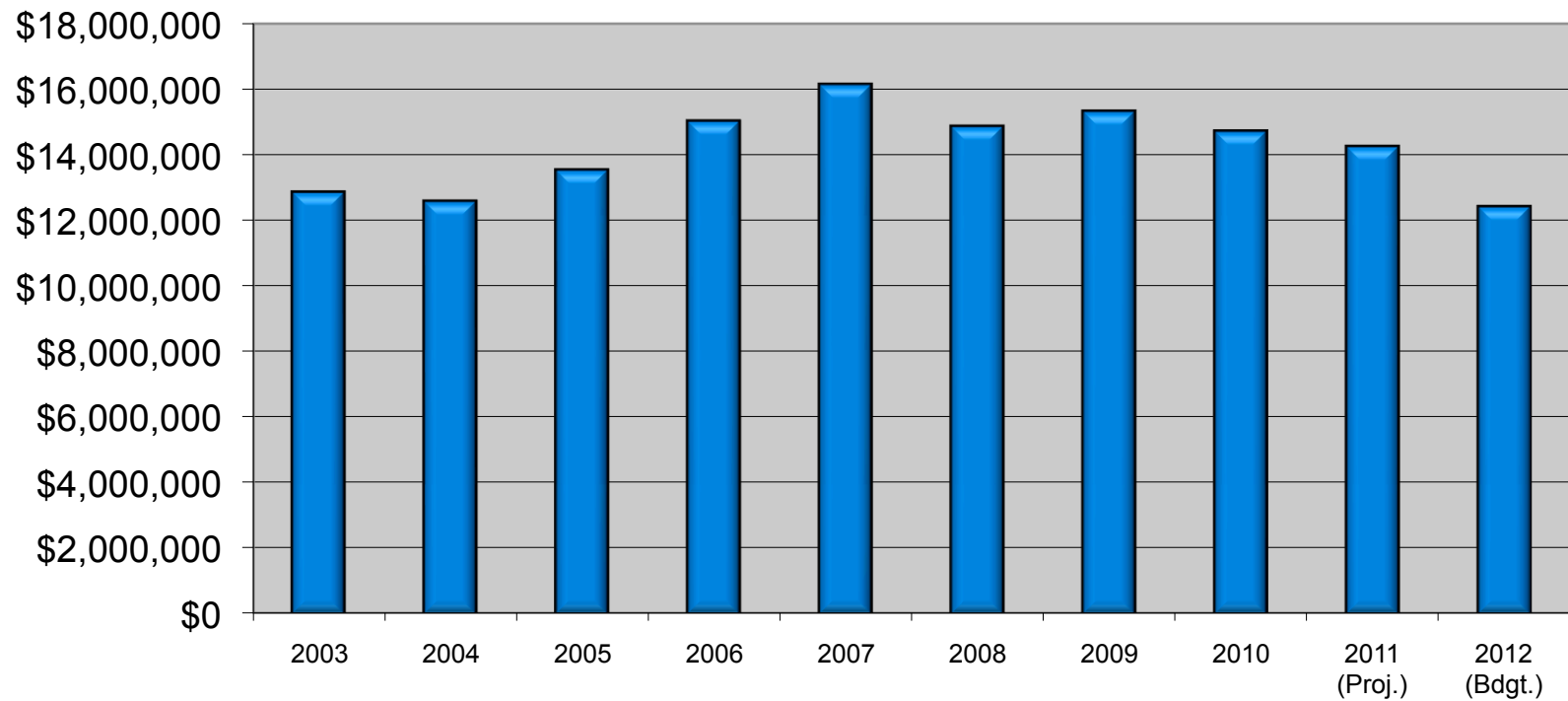
The Commercial Market





MIABC

Gross Assessments

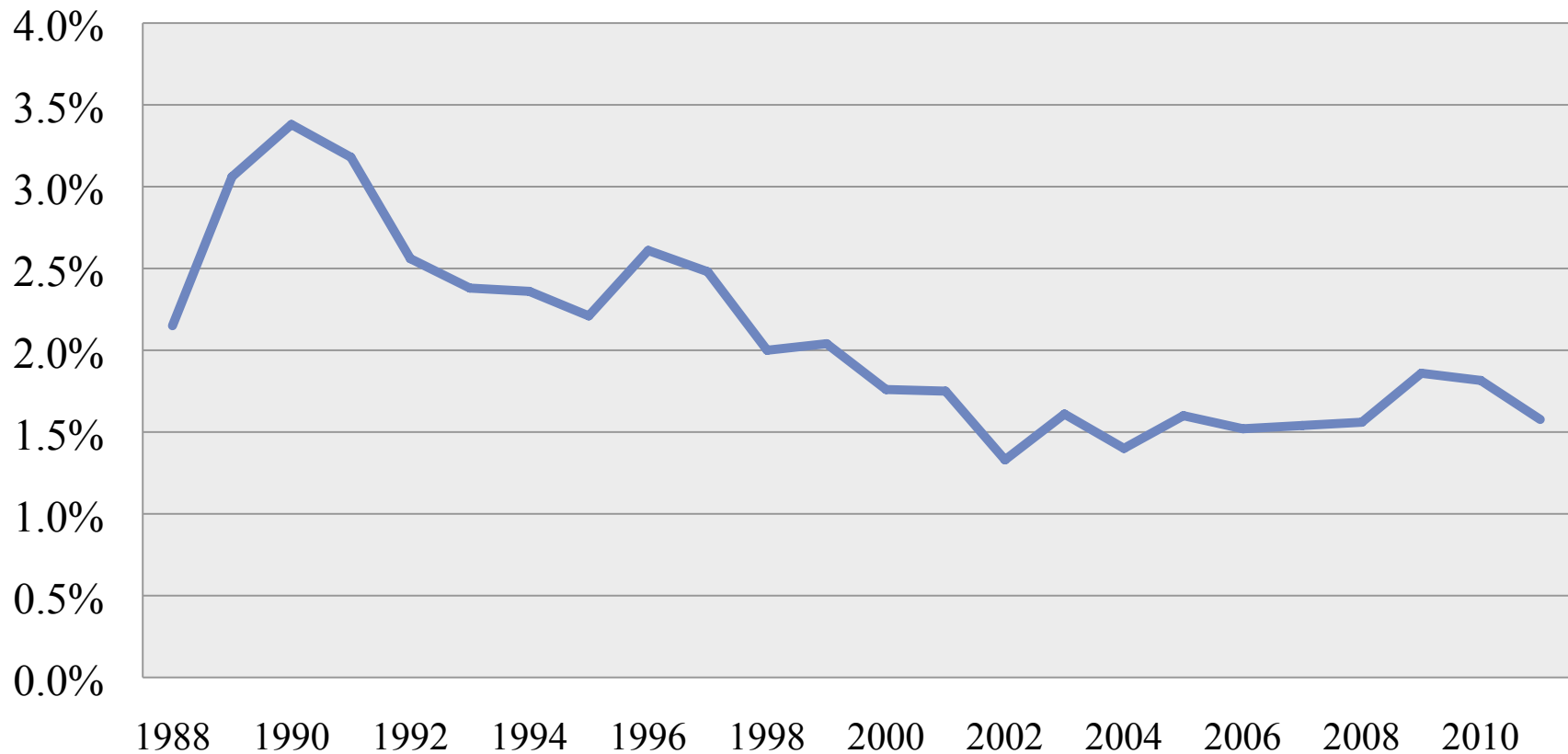


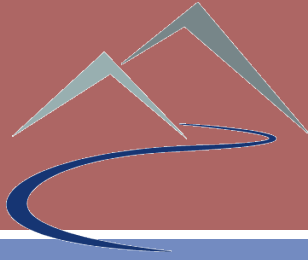
MIABC guarantees next year's premium in early October



MIABC

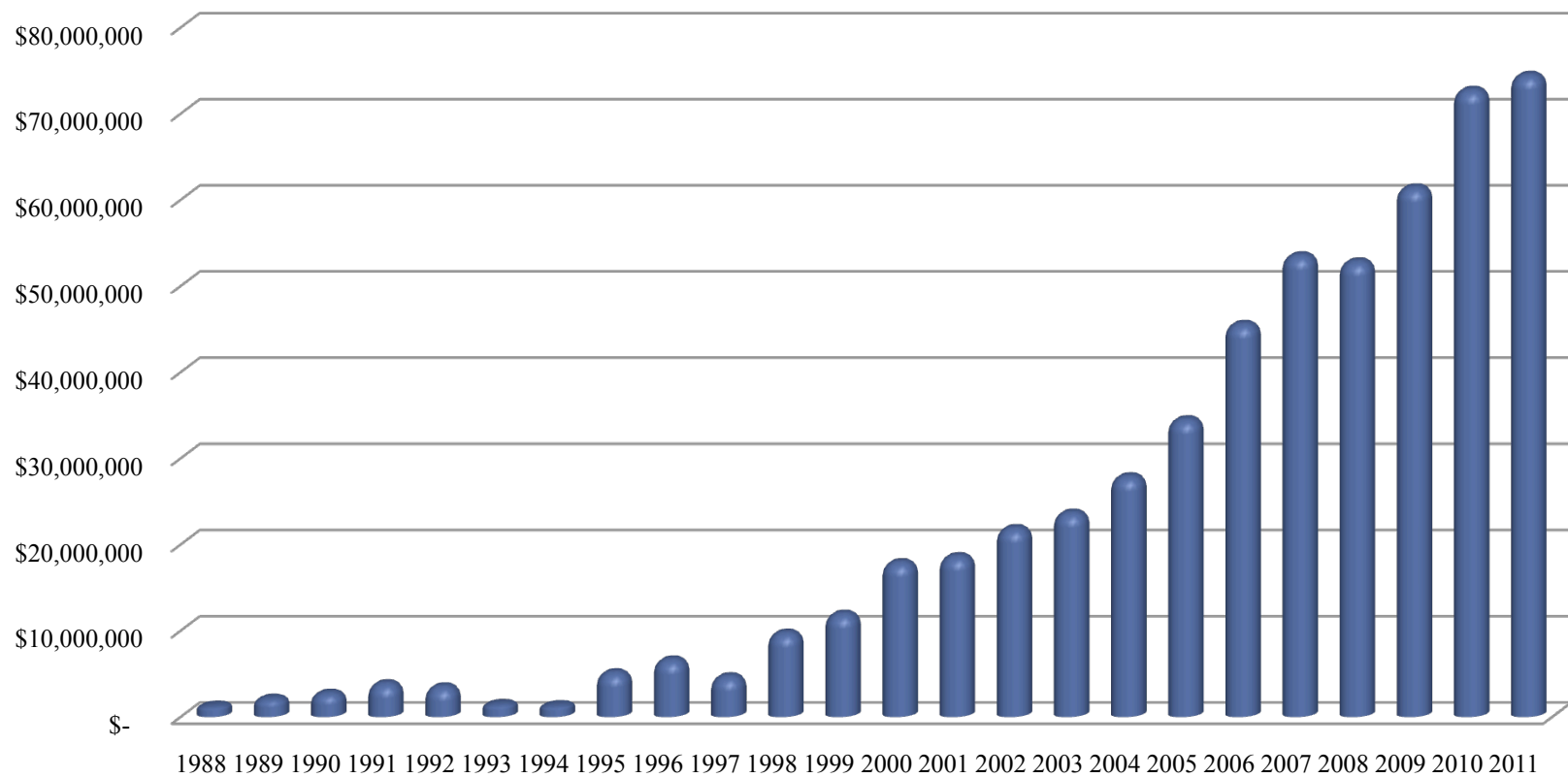
Claims Frequency





MIABC

Capitla



Dividends



016563

2008.07.28 \$23,772.00

Pay: Twenty-three thousand, seven hundred seventy-two Dollars

TO THE
ORDER OF City of Cherryland

Re: 2007 Dividend

Summary

The MIABC delivers...

- ∞ Broad Coverage
- ∞ Risk Management
- ∞ Stable Rates
- ∞ Lower Costs

Governance

You can also participate in the MIABC as a

- ∞ Voting Delegate at the Annual General Meeting
- ∞ Board Member

Question Period

