

Priorities Committee Meeting_Jul11_2017

REPORT FOR INFORMATION**Insurance Program Update****Report Purpose**

To update the Priorities Committee on the insurance program including the intention to extend the option to exit the Alberta Association of Municipal Districts & Counties (AAMDC) Jubilee insurance program for one year and move forward with a procurement process in the spring of 2018.

Council History

July 14, 2015 – Priorities Committee was presented with an Insurance Program report for information.

Strategic Plan Priority Areas

Economy: n/a

Governance: To ensure good governance through fiscal management of the insurance program while protecting the assets and financial interests of Strathcona County.

Social: n/a

Culture: n/a

Environment: n/a

Other Impacts

Policy: Procurement Policy SER-014-001

Legislative/Legal: n/a

Interdepartmental: All Strathcona County departments

Summary

In the fall of 2015, a letter of intent to exit the Jubilee insurance program was submitted in accordance with the two-year notice period specified in the reciprocal insurance exchange subscriber agreement. The intent was to move forward with a Request for Proposal (RFP) process to secure insurance services prior to the November 2017 renewal.

Over the past two years, the municipal insurance landscape in Alberta has changed. The insurance brokerages have undergone changes, and the trade associations providing insurance services (AAMDC and AUMA) have expanded their reach and entered into competition for municipal business. Both AAMDC and AUMA have recently tendered their brokerage services. The two largest brokers, AON and Marsh, are now both procured to these trade associations. This precludes either brokerage from responding to an insurance RFP issued by an Alberta municipality currently aligned with a trade association such as Strathcona County. These changes in the municipal insurance landscape in Alberta created uncertainty as to the best way forward thereby delaying the competitive process.

A one year extension request will be put forward to AAMDC prior to the deadline for extension in September 2017 thereby allowing a procurement process to occur in spring 2018. Initial conversations with AAMDC indicate there will be no issue with extending the notice for one year.

Communication Plan

Provide written notice no later than September 22, 2017 to AAMDC of Strathcona County's intent to extend insurance services for one year.