

# Town of Tillsonburg

---

## Understanding Coverage & Premium

Rob Fiddler    December 8, 2025

# What is Insurance

In simple terms – “it’s the spread of risk”

- It’s really a pool of funds for the many to help the few
- Specifically, it’s a contract that says in exchange for your premium we the insurance company agree to provide financial protection when you suffer certain types of loss



[This Photo](#) by Unknown Author is licensed under [CC BY-SA](#)

# Intact Public Entities

## Who are we?

- We are a municipal insurance provider
- We are a Managing General Agent (MGA)
- We have special contracts with insurers/re-insurers to issue and manage insurance policies on their behalf
- We assess risk, underwrite, issue policies and handle claims
- Our underwriting partners are:  
Intact, Lloyds, Temple and Volante



# Summary of Coverages

## Premium – Limits – Deductibles

\*Municipality Only\*

Coverage	Limit	Ded
Liability	15M	50K
Errors & Omissions (E&O)	15M	10K
Non-Owned Auto	15M	500
Environmental Pollution	2M	10K
Crime	1M/Var	
Con. Accident	Var	
Vol. Accident	Var	
Conflict of Interest	100K	NO
Legal Expense	100K	NO
Owned Auto	15M	Var
Excess Liability	5M	NO

---

# Understanding Premium

## Rate vs. Premium

**Rate** (it's the Math) -the price per unit of exposure (includes things like claim costs, profits and overhead etc.)

Example – The rate is \$2.50 per every 100 dollars of value coverage

**Premium** (it's the Price) – it's the price to cover the value of a risk

Example – we have a house valued at \$100,000, the rate is \$2.50 per \$100 of value insured.

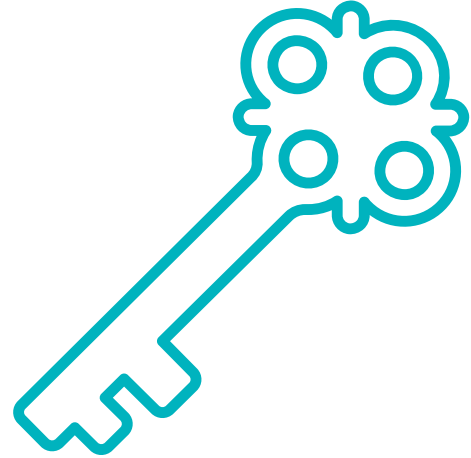
The premium would be \$2,500 (\$100,000 divided by \$100 = 1,000 x's \$2.50)

---

# Understanding Premium

## Key Factors to Underwriting

- **Market Conditions**      Hard Market vs. Soft Market
- **Loss Ratio** = 
$$\frac{\text{Losses Due to Claims} + \text{Adjusting/ Legal Expenses}}{\text{Total Premium Earned}}$$
- **Overall Performance of the Collective Risk** – how is the book of business performing overall? (are we taking in enough premium to pay the losses of the entire pool)



# Understanding Premium

## Hard vs. Soft Market

### Hard Market

(higher premiums/less capacity/stricter underwriting)

**Catastrophic Losses** (storms/wildfires)

**Reduced Investment Returns** (premiums from investment income)

**Inflation** (price of costs/services up)

**Social Inflation** (Liability Claims -verdicts that are above generic economic inflation)

**Reinsurance Cost Increase** (as a result of large claim losses)

**Poor Insurance Pricing From Prior Years** (loss ratios higher than expected or high competition led to lower rates in the soft market)

### Soft Market

(lower premiums/higher capacity/relaxed underwriting)

**High Capital and Profitability** (insurance companies have more money due to less claims, favourable market returns, more capital investment)

**Reduced Claims** (fewer costly claims over a period of time -easier to absorb risk)

**High Investment Returns**(strong return on investments by insurers)

**Fewer Major Losses** (allows for capital accumulation)

**Increased Competition** (because of profitability others want in)

**Lower Reinsurance Costs**

---

# Understanding Premium

## Loss Ratio

2020 Renewal ( <i>start of hard market</i> )	Loss Ratio – 27%	Premium Increase – 13%
2021 Renewal	Loss Ratio – 26%	Premium Increase – 15%
2022 Renewal	Loss Ratio – 20%	Premium Increase – 17%
2023 Renewal	Loss Ratio – 15%	Premium Increase – 15%
2024 Renewal ( <i>soft market starting</i> )	Loss Ratio – 7%	Premium Increase – 8%
2025 Renewal	Loss Ratio – 7%	Premium Increase – 4%



# Understanding Premium

## Claims over last 10 years

- Total Number of Claims - 59
  - Total Gross Claims Incurred - \$707,351
  - Total Expenses Paid - \$187,879
  - Common Claims
    - slip and fall
    - trip and fall
    - sewer back up
- 
- |      |  |
|------|--|
| 2016 | Property Damage due to storm sewer failure and sinkhole \$61,727 |
| 2016 | E&O Alleged breach of contract to defend \$34,263                |
| 2018 | Damage to properties due to ice storm \$34,249                   |
| 2018 | Trip and fall at parking lot \$143,847                           |
| 2020 | Child fell from slide due to icy conditions \$119,410            |
| 2022 | Slip and fall \$55,100   |
| 2023 | Arson at Community Centre \$31,565                               |
| 2024 | E&O Breach of duty -zoning & permits \$30,000                    |
-

# Understanding Premium

## Key Take Aways

- The Town of Tillsonburg has a good loss ratio (good is considered 40% or below)
- During a Hard Market the Loss Ratio does not really have a significant impact on premium \*the markets impact on rate dictates premium increase
- During a Soft Market the Loss Ratio plays more of a factor in premium as rate is affected only minimal or static from the markets
- Good Loss Ratio's are rewarded the most in a Soft Market (if really good, under 10% - they may even just see an increase due to inflation on property values only)



# How can we Help!

We offer all kinds of value-added services for “free” via our **Risk Management Department**

## Asset Valuation and Risk Inspections

Inspections provide you with calculated reconstruction costs for insurance purposes and ensure insurance to value. Leveraging specialized software and advanced tools – including thermal imaging cameras and our Self-Inspection App – we identify and analyze potential areas of harm and provide risk recommendations to reduce the frequency and severity of incidents.

## Roads & Sidewalks

### Road Risk Assessment

Non-repair of road liability claims are costly to defend, result in high court awards and greatly impact a municipality's cost of risk. To help municipalities minimize exposure to non-repair of road claims, road assessments can be employed to review documentation, compliance with the Ontario Traffic Manual, adequacy of policies and procedures and select road segments.

### Sidewalk Services

Our sidewalk consulting services can help to reduce the frequency of falls on your sidewalks.

## Driver Education

Fleets and individual drivers can receive comprehensive driver education through the use of seminars, tools and guidelines that assist with everything from pre-employment checklists and driver management policies to defensive and cooperative driving education.

## Fleet Management Evaluation

Have your municipality's fleet risk management practices evaluated. Topics for review include: management structure with the fleet, areas of operation/travel, driver training/hiring practices and loss control management.

## MMS Compliance

Our Minimum Maintenance Standards (MMS) compliance analysis focuses on reviewing your policies/procedures/ documentation and comparing these to the required standards set under the MMS as well as the best practices developed by the Good Roads.

# We keep on Helping!

## Municipal Education

We develop and provide customized sessions on specific risk issues for your municipality. These customized sessions can be tied to a claims review, documentation review, policy & procedure review or any risk issue facing your municipality.

We provide training on any topic of your choosing and can be offered either in-person or virtually. The sessions will be developed and delivered by specialists in the field and are recorded and made available to you so your managers can use them at any time to train new staff or as a refresher for existing staff.

## Reviews & Analysis

### Contract Reviews

This complimentary service is among our most popular because a third-party contract review can make a substantial difference. You'll receive valuable feedback and insight from a Paralegal on the suitability and effectiveness of liability provisions and insurance clauses in contracts and agreements.

### Policy and Procedural Reviews

Includes an audit of systems and processes to reduce potential losses within your organization. Reviews focus on identifying gaps or inconsistencies between written policies and procedures, operational procedures and current legislation. The review also includes a claims analysis to identify trends, patterns and adherence or its lack of to the written operational policies and procedures.

### Risk Management Centre of Excellence

The IPE Risk Management Centre of Excellence is an online resource that provides clients with the information and tools needed to manage a myriad of risk issues. The Centre of Excellence is the hub for articles, information, case studies, and useful templates that can transform your municipality's risk management results. The Centre of Excellence is available 24/7 and is continually updated with

# Thank you!