

Finance Committee Meeting Agenda

07, December, 2021 – 9:00 a.m.

Held in Council Chambers

Cookville, NS

- 1. Call to Order**
- 1.1. Mi'kma'ki Territorial Acknowledgement**
- 2. Nomination and Election by Ballot – Chair and Vice Chair
[MDL-02 – Committee Policy, Section 3.5]**
- 3. Announcements, Acknowledgements, Recognition**
- 3.1 Acknowledgement of the Day of Remembrance & Action on Violence Against Women**
- 3.2 Acknowledgement of the International Day of People with Disabilities**
- 4. Approval of Agenda (as circulated)**
- 5. Approval of Minutes – October 5, 2021**
- 6. Business Arising from Minutes**
- 7. Presentations/Scheduled Times**
- 7.1 Municipal Insurance Discussion – Ed Nix, BFL Canada 9:15 a.m. 1-17**
- 8. Consideration of Correspondence**
- 8.1 Seniors' Safety Program – Support for Provincial Funding Request..... 18-22**
- 9. Recommendations from Committees & Boards - Nil**
- 10. Staff Reports**
- 11. Mayor's/Deputy Mayor's/Councillors' Matters**
- 12. Added Items**
- 13. In Camera**
- 14. Adjournment**

Finance Committee
December 7, 2021
Item: 7.1
Authorization: E. Wentzell

BFL CANADA Risk and Insurance Services Inc

Insurance Market and Risk Services

December 2021

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Section 1: About BFL CANADA

Section 2: Insurance Market Cycles

Section 3: Risk Management

SECTION 1

ABOUT BFL CANADA



1,000+

Employees
across
Canada

\$1.5B+

In insurance
premium
volume

23

Offices in
Canada

100%

Private, independent &
employee-owned
and operated

98%

Client
retention
rate

140+

Countries represented
through our partnership
with Lockton Global LLP



Founded in 1987 by Barry F. Lorenzetti, BFL CANADA is one of the largest employee-owned and operated Risk Management, Insurance Brokerage, and Employee Benefits consulting services firms in Canada. The firm has a team of over 1,000 professionals located in 23 offices across the country. BFL CANADA is a founding Partner of Lockton Global LLP, a partnership of independent insurance brokers who provide risk management, insurance and benefits consulting services in over 140 countries around the world.

GLOBAL FOOTPRINT



BFL CANADA, through strategic alliance and partnership with the Lockton Global LLP, is represented in the US and in over 140 countries around the world.



140+ COUNTRIES

7,500+
Associates

10.3%
Organic Growth

98%
Client
Retention
Rate

52,000+
Clients

OUR CULTURE



BFL CANADA's unique culture fosters growth, development and opportunities for those who share the company's vision and core values. We are proud of our work environment that promotes innovation and creativity and keeps us one step ahead.

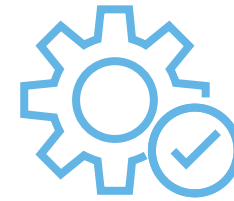
At BFL CANADA, we believe in:



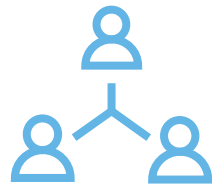
**Respect &
Recognition of
Diversity**



Excellence



Integrity



Collaboration



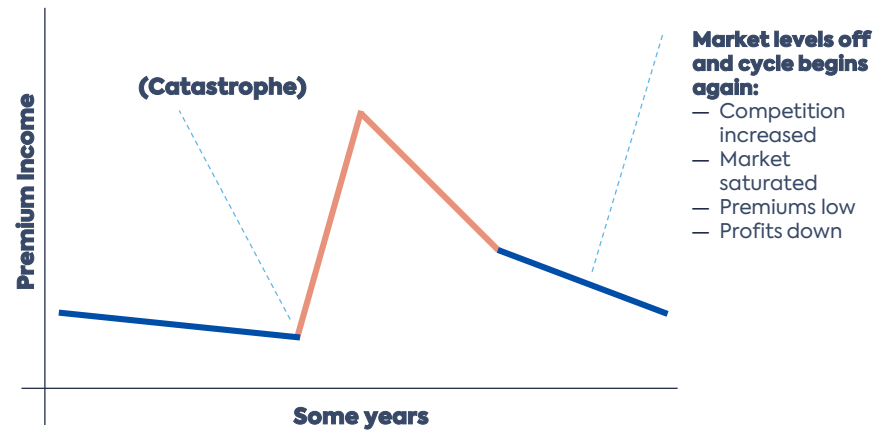
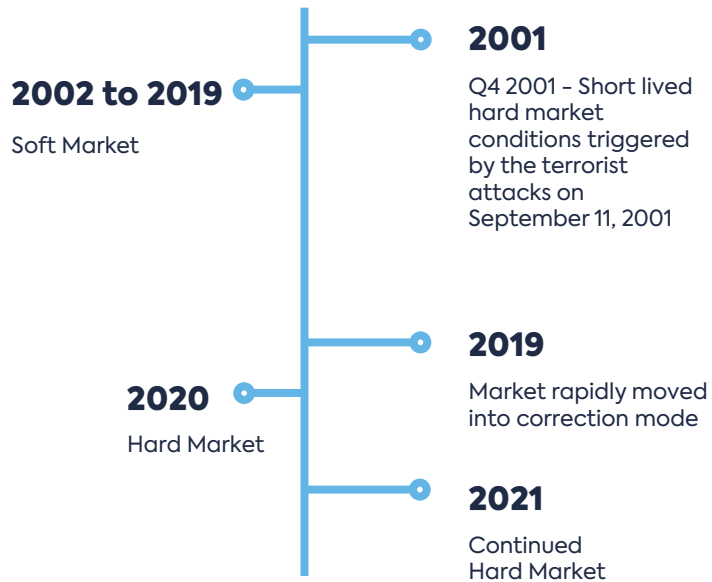
**Entrepreneurial
Spirit**



**Community
Support & Charity
Work**

SECTION 2

RECENT MARKET CYCLE TIMELINE



'SOFT' MARKET CONDITIONS	Price Reduction, Insurers "buying" volume, Competition, Surplus Capacity
'HARD' MARKET CONDITIONS	Triggered by revenue/profit shortfalls, Underwriting standards more stringent.

HARD MARKET VERSUS SOFT MARKET

Hard Market

- The industry has not seen a hard market since 2001
- Focus on profitability/bottom line results
- Reduced capacity
- Premium commensurate with the risk
- Deductible review
- Reduced cover offerings
- **RETURN TO DISCIPLINED UNDERWRITING**

vs.

Soft Market

- Top-line growth/market share
- Extensive capacity
- New/additional insurer entrants
- Competitive premiums
- Low deductibles
- Broad product offering
- **FLEXIBLE UNDERWRITING REQUIREMENTS**

Large losses/low premiums, combined with loss of investment income, has translated into a hard market.

WHAT MAKES THIS HARD MARKET DIFFERENT FROM PREVIOUS CYCLES?

- > Previous hard market cycles were characterized by insurers taking a blanket approach to premium and deductible increases, gradual and sustained over several years
- > Prior to the 2020 hard market cycle, insurers did not necessarily exit from specific classes of business carte blanche in order to improve their balance sheets
- > Insurers are now taking a more targeted approach – critically reviewing specific business segments, exiting unprofitable to focusing on high profit sectors (reallocating capital) done over a period of 12-18 months (or less)
- > Improved data and analytics are utilized in the underwriting process to better understand classes of business
- > Current hard market cycle has been marked by increased premiums, increased deductibles, restricted terms and limited capacity



HOW INSURERS ARE REVIEWING MUNICIPAL RISK IN A HARD MARKET

CONTRIBUTING FACTORS TO THE HARD MARKET AND YOUR RISK PROFILE

- ✓ Global hard market conditions
- ✓ Municipal inherent risks often viewed as “high risk” by the insurance marketplace
- ✓ Low deductibles / low premiums driven by soft market and/or tender process
- ✓ Increased claims costs

HARD MARKET TRANSLATES INTO

- Application of premiums and deductibles commensurate with the risk
- Disciplined underwriting process
- Organizations with strong risk and claims management negotiating best terms from insurers
- Organizations with a poor loss history are seeing even more significant premium increases and insurers are imposing higher deductibles with no premium savings

HOW INSURERS ARE REVIEWING MUNICIPAL RISK IN A HARD MARKET

Return to underwriting discipline:

REVIEW
10+ YEAR LOSS HISTORY
Long term results driven
(Severity vs. Frequency)

LIABILITY

- Deeper dive into your loss history.
- Closer review of your municipality's operations, what are you responsible for?
- Population served
- What is your municipality's risk management / claims mitigation philosophy, is it across all departments?

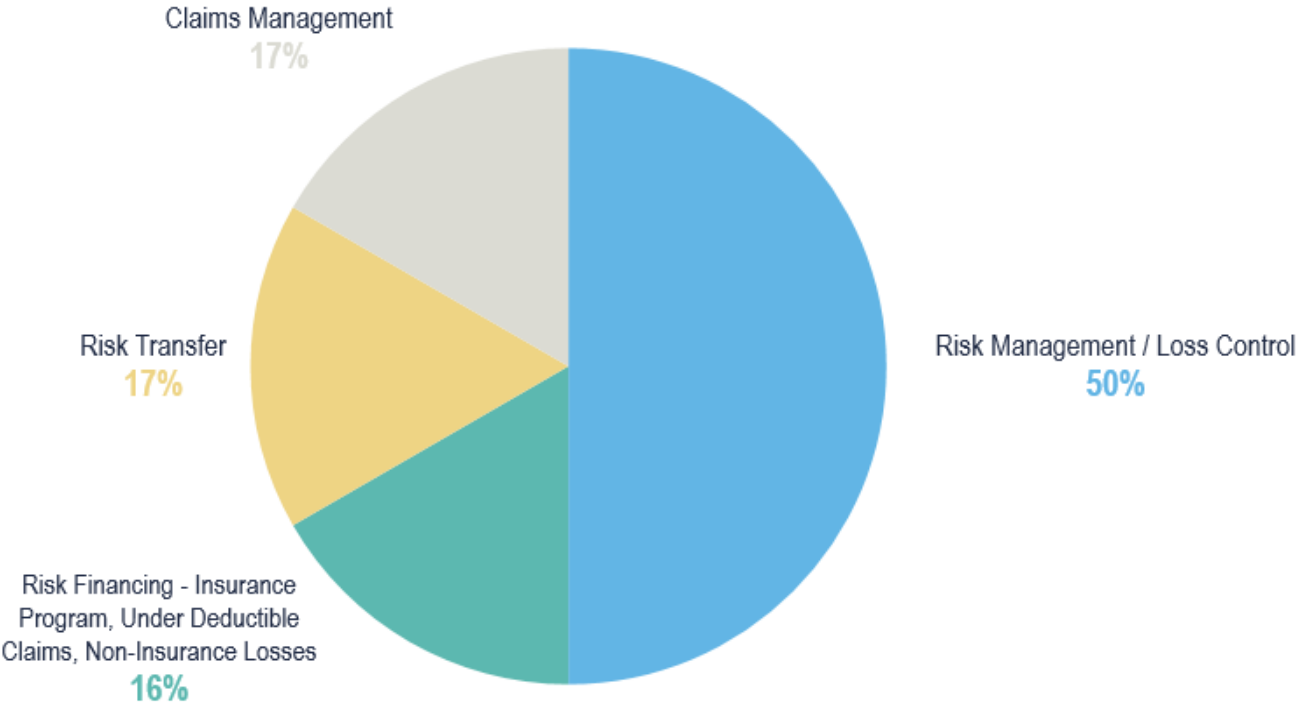
PROPERTY

- Location (flood &, earthquake zone, proximity to fire services).
- Construction of your building (frame, fire resistant).
- Fire protection (sprinklers, alarm).
- Probable Maximum Loss exposures.
- Loss control measures

SECTION 3

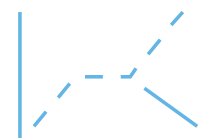
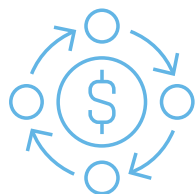
Improving Risk Profiles through Risk Management and Claims Mitigation

LET'S CONSIDER A NEW APPROACH TO MUNICIPAL RISK MANAGEMENT



WHERE ARE WE TODAY, WHERE DO WE GO FROM HERE

- While insurance remains an important component, it cannot be the main tool.
- Council needs to look internally, not externally to manage escalating insurance costs.
- Organizations need to proactively mitigate and manage their risk profile via a strong risk management plan with buy-in throughout the entire organization.
- Improving your organization's overall risk profile will result in:
 - **Reduced under deductible claims costs**
 - **Strong legal case when defending third party claims made against your organization**
 - **Reduced costs for losses not covered under an insurance program**
 - **Best premium and coverage results from the insurance marketplace in both hard and soft market cycles**



BFL's COMMITMENT TO MODL AS YOUR RISK ADVISOR

AS YOUR RISK ADVISOR WE WILL

- ✓ Communicate to your insurer your organization's commitment to risk management and claims mitigation.
- ✓ Continuously support management to help them succeed in meeting your municipality's risk and claims mitigation goals.
- ✓ Provide risk management support via inspections, risk transfer mechanisms, advice on best practices for special events, acquisition of property/new builds, just to name a few.
- ✓ We can help support management in the delivery of your risk and education program to staff.
- ✓ Have educational opportunities such as webinars and newsletters, providing timely information that can be incorporated into your risk management plan.



THIS DOCUMENT WAS ISSUED BY:

BFL CANADA Risk and Insurance Services Inc

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Bedford, Nova Scotia B4A 3Y4

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From: [REDACTED]
To: [REDACTED]
Subject: Seniors' Safety Program - Support for Provincial Funding Request
Date: November 30, 2021 3:11:54 PM
Attachments: [2021_11_Ltrr to Minister FINAL.pdf](#)

Authorization: E. Wentzell

CAUTION: This email originated from an external sender.

Mayor Bolivar-Getson, Municipality of the District of Lunenburg
Mayor Devenne, Town of Mahone Bay
Mayor Mitchell, Town of Bridgewater
Mayor Risser, Town of Lunenburg
Warden Webber, Municipality of the District of Chester

Dear Mayors, Warden and Members of Councils:

As the recently elected chair of the Lunenburg County Seniors' Safety Partnership Society, I am reaching out to introduce myself and to re-introduce the subject of municipal funding contributions to the operations of the Seniors' Safety Program.

We are deeply grateful for the financial support received from the county's five municipalities and for the many municipal expressions of appreciation for the program's varied services. Municipal funding was first established in 2014 when the program sought to increase staffing from 0.5 FTE to 1.0 FTE in response to increasing service demands. All five municipal units stepped up to provide the amounts requested, amounts that were based proportionally on population. With that amount assured, we were able to create a full time Seniors' Safety Coordinator position. In the seven years since then, we have used occasional reserves and project grants to provide additional part-time contracted staffing to address steadily growing service demands.

Since 2014 there has been only one increase in municipal funding, a 2% increase in 2018 which has continued to provide a total of \$27,000 from the municipalities. The same year the province increased its grant from \$20,000 to \$25,000 making municipal and provincial contributions almost equal. That basic core funding has been supplemented by contributions from the Lunenburg County United Way that have decreased over the years from \$10,000 to the current \$5000.

Now, in preparation of our 2022/2023 budget, with increasing costs and no financial reserves, at a time when our service statistics warrant the need for 2.0 FTE staff positions, we are facing the prospect of reduced staffing complement with resulting reduction in service. With this in mind, we intend to approach our five municipalities by end of January 2022 with a request for increased contributions. In doing so, we are heartened by the fact that our local United Way has pledged to increase their contribution to match any percentage increase made by the municipalities.

Recognizing the provincial responsibility for services such as we provide, we want to assure you that we communicated the need for increased funding to Department of Seniors officials during the previous government, and this month are again submitting a similar request to the new Minister with copies to the three local MLAs.

Attached you will find a copy of our letter to Minister Adams. We are requesting that your Council consider sending a message to the Minister in support of our request for increased provincial funding for Seniors' Safety Programs.

Yours sincerely,

David Murdoch
Chair, Lunenburg County Seniors' Safety Partnership Society
Phone 902 277 0766



November 29th, 2021

Hon. Barbara Adams,
Minister of Seniors and Long-Term Care,
Government of Nova Scotia

Dear Minister Adams,

As chair of the Lunenburg County Seniors' Safety Partnership Society, I am pleased to congratulate you on your appointment as Minister of the Department of Seniors and Long-Term Care, a newly formed department that is sure to provide you and your staff with exciting opportunities to foster dynamic, collaborative relationships amongst people and departments that were previously housed separately. I look forward to learning more about your re-organized department and about the part that the Seniors' Safety programs will play in the new configuration.

Since my appointment as chair of our Society, I've learned about the high esteem in which our Seniors' Safety Program is held by community partner organizations – well over 100 local, regional and provincial organizations. I am proud of the contribution that our 1 FTE Coordinator, with occasional help from contracted staff, has made to the safety, health and well-being of some of the 21,000 people age 55+ who live in Lunenburg County via community education and one-to-one direct service.

I am proud ... and concerned.

Concerned because I've learned about significant gaps and barriers in the resource network for older adults, gaps that our Seniors' Safety Coordinator is frequently called upon to address. Seniors' Safety Programs have been characterized as "crack fillers" because they help vulnerable older adults navigate the uncharted spaces between service boundaries: they arrange supports for frail elderly persons on home care waiting lists; they help ensure required standards are met so that home care can be implemented (everything from arranging for a mop to having a hoarding situation cleaned out); they assist people transitioning from Income Assistance when they lose their support worker and financial coverage for medical and dietary needs; they help locate and fill out forms that ensure that income is not interrupted. They respond to the increasing number of seniors who are precariously housed or who are homeless.



Concerned because our referrals doubled between 2018 and 2020 and because municipal and provincial funding has been unchanged since 2018. The core of our operating budget is derived from the provincial Seniors' Safety grant (\$25,000), contributions from all five municipalities in the county totalling \$27,000, and \$5000 from the United Way.

Concerned because the reasons for referral have become more serious and more complex: our Coordinator assists with issues such as homelessness, hoarding, mental health, elder abuse, financial hardship, lack of supports, suicide, and food insecurity among others.

Careful budgeting and creative grant-writing enable us to hire part-time staff intermittently to supplement the work of our 1.0 FTE permanent Coordinator. This year, having exhausted our reserves, without knowing what funding will come from the Department of Seniors, and without knowing municipal decisions on our requests for increased funding until May or June, we must prepare a bare bones 2022/23 budget that will necessitate a reduction in the service we can provide. Seniors will be caught in the gaps. Seniors will suffer.

Municipalities have expressed reluctance to increase funding to Seniors' Safety without seeing a provincial increase. We want to tell them that the province is stepping up with more funds to support the health and well-being of seniors. The Lunenburg County United Way has pledged to increase their grant by the same percentage as any municipal increases, a heartening show of local support that hinges in part on increased provincial funding.

We are seeking the soonest possible assurance that the province will increase the base funding for Seniors' Safety Programs, and implement a funding formula that recognizes the extra burdens on programs in counties with larger populations and/or geographic areas.

Yours sincerely,

A handwritten signature in black ink, appearing to read "David Murdoch". The signature is written in a cursive style and is placed on a light grey rectangular background.

David Murdoch
Chair, Lunenburg County Seniors' Safety Partnership Society



A handwritten signature in black ink, appearing to read "Penny Carver".

Penny Carver
Councillor, Town of Mahone Bay
Past Chair, Lunenburg County Seniors' Safety Partnership Society

cc

Deputy Minister, Paul LaFleche

Assoc. Deputy Minister, Tracey Barbrick

Faizel Nanji, Executive Director, Dept. of Seniors

Jacqueline Campbell, Policy Analyst, Dept. of Seniors

Lunenburg MLA, Minister Hon. Susan Corkum Greek

Lunenburg West MLA, Minister Hon. Becky Druhan

Chester-St Margarets MLA, Danielle Barkhouse