

MUNICIPALITY OF THE DISTRICT OF LUNENBURG
Minutes of the **Special Meeting** of
FIRE AND EMERGENCY SERVICES COMMITTEE
Held at Council Chambers, 210 Aberdeen Road, Bridgewater
Thursday, February 20, 2020 – 8.50 p.m.

ATTENDANCE

Blockhouse Fire Department
Conquerall Bank Fire Department
Cornwall & District Fire Department
Dayspring & District Fire Department
District 1 & 2 Fire Commission
Hebbville Fire Department
Hemford & District Fire Department
Indian Point Fire Department
Italy Cross/Middlewood & District Fire Department
Lapland & District Fire Department
Martin's River Fire Commission
New Germany Volunteer Fire Department
Oakhill & District Fire Department
Petite Riviere Fire Department
Pleasantville & District Fire Department (left meeting before vote)
Riverport Fire Commission
Tri-District Fire Services
United Communities Fire Commission (left meeting before vote)
Walden Fire Department
Wileville Fire Department

FESC: Brian Keizer, District 1 & 2 Fire Commission, Chair
Deputy Chief Steve Patterson, Cornwall Fire Department
Deputy Chief Dean Schmeisser, Dayspring & District Volunteer Fire Department

Staff: Chris Kennedy, Fire Services Coordinator
Alex Dumaresq, Deputy Chief Administrative Officer
Sandra Challis, Administrative Assistant

Other: Kevin Foster – Manager Strategy, Workers Compensation Board
Jody Crowther – Benefits, A.J. Gallagher Insurance

1. CALL TO ORDER

Mr. Keizer called the meeting to order at 8:50 p.m.

2. PRESENTATION ON “HOW WE GOT HERE” (Group Personnel Insurance)

Mr. Dumaresq gave a PowerPoint presentation to the attendees. The presentation explained that the intent of the Fire & Emergency Services Committee was to try to attain group personnel insurance for firefighters that would mean that every fire fighter would be treated the same,

regardless of which department they volunteered for, and an added benefit to group insurance was also the hope to see some cost savings. As departments currently purchase individual policies, there are varying degrees of coverage, this would be a way to rectify these differences.

A Sub-Committee was set up from the Fire & Emergency Services Committee (FESC) and the Municipality hired a consultant to work with the group on preparing an RFP to hire a broker for insurance services. AJ Gallagher was awarded the contract and then, once parameters were decided on, a request for proposals was sent out to insurers.

Whilst this process was ongoing, the Province announced that mandatory WCB coverage was to be extended to cover volunteer firefighters. The resulting quotations received reflected this change.

Focusing on a bulk approach meant that there would be consistent, fair coverage across all departments and offered a significant increase in benefits for the majority of departments. The FESC had also wanted to look at options for an Employee Assistance program offering things like counselling. Bulk purchasing is already done by departments for the general and liability insurance.

Whereas WCB will only cover active firefighters, private personnel insurance covers juniors, honorary and auxiliary members and will also provide coverage for occasions not included in WCB coverage – fundraising events, etc.

Some departments offer volunteers the opportunity to have off-duty coverage, where the individual firefighters opt into the coverage for themselves and their family, if required. This will still be available under the new group insurance and will be an optional extra.

WCB is required to be in place by October 30th, 2020 and provides some real benefits that are not available through private insurance – presumptive cancers and easier claims for PTSD for example. In the event of a claim, WCB would be the first insurance to be accessed, group personnel insurance would be the top-up.

Quotations were received from two insurers, VFIS and Provident. The driving factors in pricing for personnel insurance was the amount for lump sum benefit and the weekly indemnity cover (a wage replacement element for actual wages lost). The requests for proposal set the lump sum benefit at \$250,000 and the weekly indemnity at \$750. There is currently only one department offering their volunteers higher coverage than these sums, but it was considered to be an acceptable limit, as \$750 equates to annual earnings of approximately \$70,000. The quotations were very similar, offering overall savings of approximately \$24,000 and AJ Gallagher provided a qualitative and quantitative appraisal of them. Both companies offered robust coverage, had good reputations and were responsive to the enquiries made of them. VFIS price was slightly better for on-duty coverage, but Provident included an assistance program, at no additional fee, and had better rates for off-duty coverage. Thus, Provident is the recommended provider.

The cost of the group personnel premium is \$38,542. The Municipality will be paying the WCB premium of \$29,000 and, in addition, will contribute \$10,900 in the next fiscal year towards the cost of the new group personnel insurance. The chart provided (circulated with agenda) showed how the cost would be distributed between departments. The net cost per member of \$44.66 was multiplied by the number of active firefighters per department. Most departments would see a

decrease in premiums. Although three departments would see an increase, the level of coverage would more than double for the volunteers.

Mr. Dumaresq closed by saying that the proposal will provide fair and consistent, and improved coverage (in almost all departments). He added he hoped that members in attendance would recommend proceeding with group personnel insurance. With that direction, FESC will be able to move this matter forward to Council for their budget deliberations.

3. Q&A with Representatives of WCB and AJ Gallagher

The following questions/comments were raised:

Q. What about the Town of Mahone Bay, are they included in the group policy?

A. No, they have not been included in the policy, as it is not possible to speak how the Town's Council will deal with it. MODL is not opposed to working with the Town of Mahone Bay on this matter.

C. The number used for distribution of group personnel insurance costs was based on active firefighters. Riverport currently covers 44 members under their personnel policy.

A. The number of active firefighters was used for the calculation of premiums only, coverage will extend to all members - auxiliary, juniors and honorary.

C. Riverport provides off-duty coverage too.

A. There will still be an opportunity to purchase off-duty coverage as an optional extra.

C. There is a significant increase in the proposed costs for off-duty coverage.

A. The benefits will be in line with the on-duty coverage, so therefore coverage is improved.

Q. What happens when you reach 65?

A. For WCB, the only benefit that is affected is earnings replacement. The system allows that persons aged 63 or older at time of injury will only be able to receive earnings replacement benefits for up to two years from the date of the injury, there is no time limit on medical benefits. *Mr. Crowther would need to confirm if there is an upper age limit on the private coverage's earning loss benefit.*

Q. Does either WCB or private insurance cover a by-stander who may be asked to help in an emergency situation?

A. WCB only covers active firefighters. *Mr. Crowther would need to check with Provident on this matter.*

Q. If I am admitted to hospital, who do I tell them my employer is for a WCB claim?

A. For the purposes of the legislation the Municipality is your employer. Once the WCB account has been set up for the Municipality, the individual fire departments will be listed under it.

Q. Will there be special paperwork to complete?

A. There are specific claims forms to complete for both WCB and private insurance. It may be possible to hold an information session for members once everything is in place.

Q. Under the private coverage, what is the maximum period for the weekly indemnity?

A. Potentially 10-years, however there may be a cross-over between short-term and long-term disability; it would depend on the circumstances

Q. Is there an option for an individual department to elect higher coverage, i.e. for weekly indemnity?

A. No, this is a group policy and these levels of coverage are pre-selected. \$1000 weekly indemnity translates to approximate annual earnings of \$105,000. It had been discussed and decided by the Insurance Sub-Committee that a \$750 weekly indemnity would be reasonable in relation to the average earnings in Lunenburg County.

Q. Who is going to pay the bill for WCB?

A. The Municipality.

Q. Who will be the contact person for claims at the Municipality?

A. Claims on the group personnel policy will work the same as how it currently does for the group general/liability policy. Claims will be made directly through the insurer.

Q. Riverport is formed as a Commission, is this an issue?

A. No, the governance method has no effect on the ability to be part of the group personnel policy.

Q. Will it still be necessary to complete incident forms, and would they need to be submitted to the insurance company in the event of a claim?

A. Departments should continue following their own processes for recording incidents/near misses. Neither WCB nor the Insurance Company require copies of them unless there is a claim being made.

Q. Is there a minimum number required for the off-duty coverage to be guaranteed at \$132, and if you have more members taking up the option, will the price get better?

A. No, as an optional extra, the price quoted will apply regardless of how many opt to take the coverage.

Q. At what point does a volunteer become an active firefighter for a department from a WCB standpoint, is the probationary period covered?

A. The legislation identifies what it means to be a firefighter. WCB understands that the membership of departments change throughout the year. It will be important to complete the Municipal annual registration forms. The frequency of updating this information is to be determined.

Q. Will the private insurance cover if you are out of province, on training for example?

A. Yes, however *Mr. Crowther would need to confirm if travel to/from the event would be covered*. Travel is not usually covered for local journeys, but it is likely to be covered for long distance purposes.

Q. What income replacement number will WCB work on, bearing in mind that firefighters are volunteers?

A. The minimum income that is insurable is \$10,200 for firefighters, however, WCB will cover earnings replacement (currently) up to \$62,000, regardless of the premium paid, and it is possible to consider income from a number of jobs.

Q. What about Departments who have signed a deal for a multi-year personnel policy?

A. Mr. Crowther had checked the policy and believed that all departments were on an annual premium basis. The changeover will be relatively simple, and departments would receive a pro-rated adjustment from the old policy when switching.

4. VOTE ON PROPOSAL

Moved by Chief Zinck, seconded by Deputy Chief Schmeisser that the representatives of the Fire Departments of the Municipality of the District of Lunenburg accept the recommendation of the Fire & Emergency Services Insurance Sub-Committee to proceed with the Provident proposal for the Group Personnel Insurance including \$250,000 lump-sum benefit and \$750.00 weekly indemnity coverage, and further to accept cost distribution as presented. Carried Unanimously.

5. ADJOURNMENT

There being no further business at 9.45 p.m., it was moved by Deputy Chief Patterson, seconded by Chief Zinck the meeting adjourn. Carried Unanimously.