



**The Corporation of the
City of Sault Ste. Marie**

C O U N C I L R E P O R T

April 7, 2025

TO: Mayor Matthew Shoemaker and Members of City Council
AUTHOR: Shelley Olar, Risk Manager
DEPARTMENT: Legal Department
RE: Intact Public Entities – Insurance Claim Handling
Agreement – Policy Period 2025-2026

Purpose

The purpose of this report is to seek Council approval of a Claim Handling Agreement (the “Agreement”) between the City and Intact Public Entities Inc. (“Intact”) that was contemplated in the General Insurance Services Agreement between the City and Frank Cowan Insurance Company (“Cowan”) approved by Council under By-law 2021-42 and then with the extension of the General Insurance Services Agreement approved by Council under By-law 2024-156.

Background

In 2020, the City issued an RFP for the provision of General Insurance Services. Council then approved Staff’s recommendation at the conclusion of the RFP to enter into a three-year General Insurance Services agreement with Cowan for the period February 28, 2021 to February 28, 2024. The Frank Cowan Insurance Company rebranded and are now known as Intact Public Entities Inc (“Intact”). At the October 21, 2024, Council meeting, Council authorized the extension of the General Insurance Services Agreement to February 28, 2026.

The main General Insurance Services Agreement has provided a subsidiary agreement, specifically the Claim Handling Agreement for execution for the upcoming policy period February 28, 2025 to February 28, 2026. There is no additional cost for this agreement.

Analysis

The Agreement grants the City permission to respond to certain claims through its processes and also sets out the City’s reporting obligations to Intact. The City is required to immediately notify Intact if, during the handling of a claim, it becomes apparent that the claim:

- Reaches or is expected to reach a total incurred value (reserves and payments) in excess of 50% of the policy deductible;

Intact Public Entities – Claim Handling Agreement

April 7, 2025

Page 2.

- Triggers coverage under a Claims Made wording (ie. E&O, environmental, etc.); or
- Is a certain type of claim as enumerated by Intact (ie. more serious in nature, including fatalities, brain damage resulting in mental/physical impairment, class action suits, etc.).

Further, the Agreement requires the City to maintain a claims reporting and tracking system, along with a “claims loss bordereaux of all claims handled by the City” every three months. The Risk Manager shall complete this reporting.

Financial Implications

There is no additional financial impact to the City for the execution of this agreement.

Strategic Plan / Policy Impact / Climate Impact

This is an operational matter not articulated in the corporate Strategic Plan.

Recommendation

It is therefore recommended that Council take the following action:

The relevant By-law 2025-57 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

Respectfully submitted,

Shelley Olar, CIP
Risk Manager
705.759.5768
s.olar@cityssm.on.ca