

COUNCIL REPORT

TO: CITY MANAGER **DATE:** 2020 November 18

FROM: DIRECTOR FINANCE **FILE:** 5820-20
Reference: Aon Reed Stenhouse Inc.

**SUBJECT: CONTRACT RENEWAL
CITY FLEET INSURANCE**

PURPOSE: To request Council approval for a one year contract renewal for the Vehicle Fleet Insurance Program.

RECOMMENDATION:

1. **THAT** Council approves a one year contract renewal for \$1,300,000 to the Insurance Corporation of British Columbia through Aon Reed Stenhouse as outlined in this report. Final payment will be based on actual services performed.

REPORT

The City operates a vehicle fleet that is currently comprised of 738 units. Each vehicle in the fleet is required by law to have automobile liability insurance. Vehicles that are currently valued at more than \$75,000 are insured for collision and comprehensive perils subject to a deductible of \$5,000 and \$300 per accident/incident respectively.

The City fleet insurance policy for City's fleet Auto Liability, Collision, and Comprehensive insurance programs will renew on 2020 January 01 but the Insurance Corporation of British Columbia (ICBC) requires that all fleet premiums must be paid prior to issuance of a new plate decal. Aon Reed Stenhouse is the City's insurance broker and they will pay ICBC on the City's behalf as per the City's overall insurance programs contract with them.

The cost of maintaining the fleet insurance program is a necessary operating expense that is included in the City's Operating Budget. This recommendation is for a one year contract renewal from 2021 January 01 to 2021 December 31, for an estimated value of \$1,300,000. The Director Public Safety and Community Services concurs with this recommendation.

Funding for this contract is provided in various operating accounts within the 2020 – 2024 Financial Plan.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:SL/md

Copied to: Director Public Safety and Community Services