



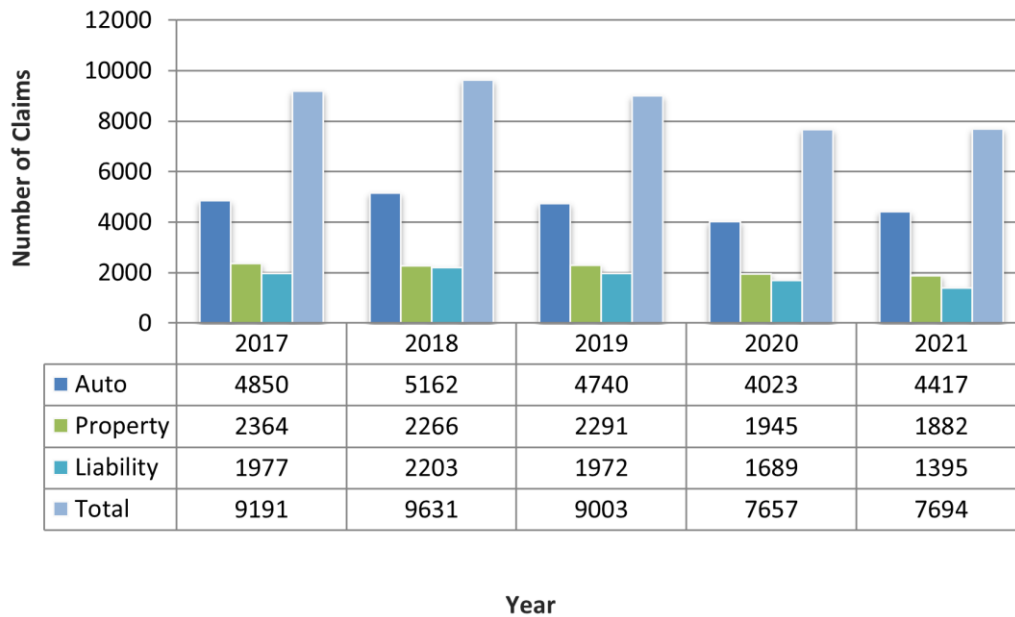
INSURANCE AND CLAIMS SERVICES REPORT – 2022

The Risk Management and Claims Division of Law acts as the corporation’s insurance company, providing insurance and claims services for all of its operations. This Division monitors the operational risks of The City and associated boards and authorities to determine cost-effective solutions to eliminate, reduce, manage, transfer or insure such risks and to manage the adjustment of claims either brought forward by the public or the corporation, in a fair and equitable manner.

AUTOMOBILE, PROPERTY AND LIABILITY LOSSES

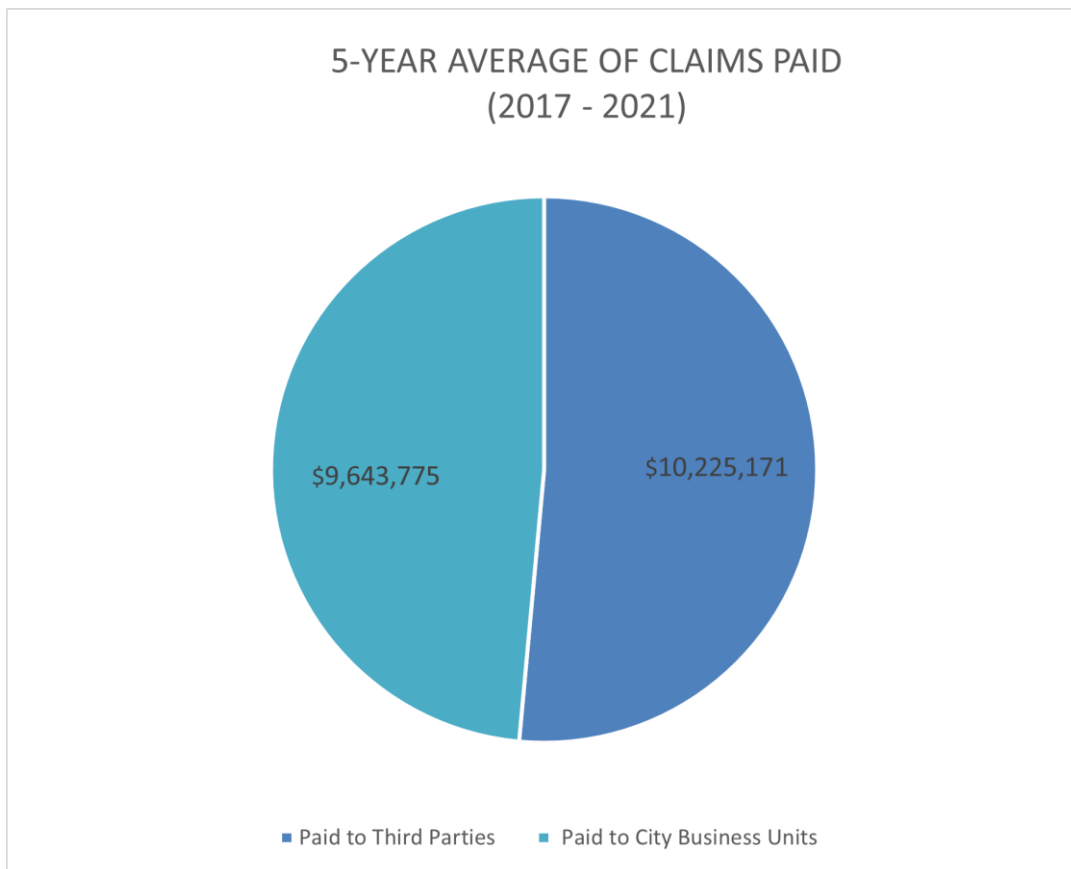
- **Automobile** claims are any claims involving City-owned vehicles. This can be a City vehicle involved in a motor vehicle accident with a third party or a City vehicle colliding with an object.
- **Liability** claims are claims where there is an allegation that The City caused damage to a third party, excluding automobile liability.
- **Property** claims are damage to City-owned properties, such as a fire in a City building, and includes damages caused by a third party, such as a private vehicle striking a guard rail.

NUMBER OF CLAIMS PER YEAR
(2017 - 2021)



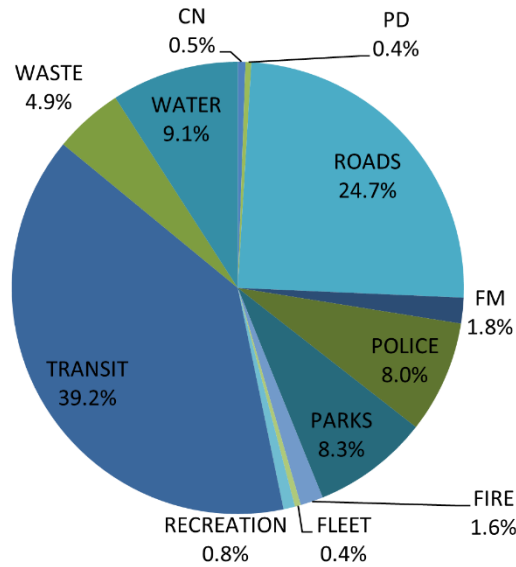
This graph illustrates the total number of claims for and against The City. The decrease in claims in 2020 and 2021 was due to a disruption in operations from COVID-19.

| NUMBER OF CLAIMS BY BUSINESS UNIT | |
|-----------------------------------|----------------|
| BUSINESS UNIT | 5-YEAR AVERAGE |
| Calgary Neighbourhoods | 45 |
| Facility Management | 151 |
| Calgary Police Service | 659 |
| Planning & Development | 34 |
| Fire Department | 134 |
| Fleet Services | 35 |
| Parks | 683 |
| Recreation | 68 |
| Roads | 1,905 |
| Calgary Transit | 3,217 |
| Waste & Recycling Services | 406 |
| Water Services | 747 |

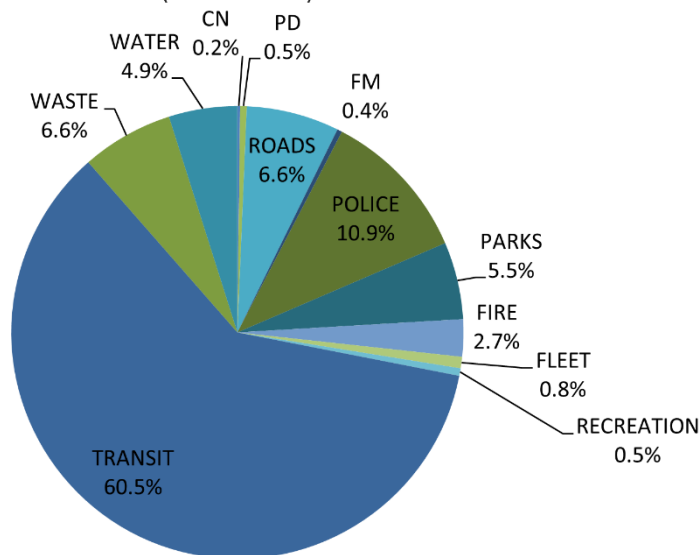


The five-year average of claims paid to third parties is \$9,643,775 and the average paid to City business units is \$10,225,171. All claims are investigated in a fair and equitable manner and The City may provide compensation if negligence on the part of The City is proven.

PERCENT OF TOTAL CLAIMS BY BUSINESS UNIT OR DEPARTMENT (2017 - 2021)

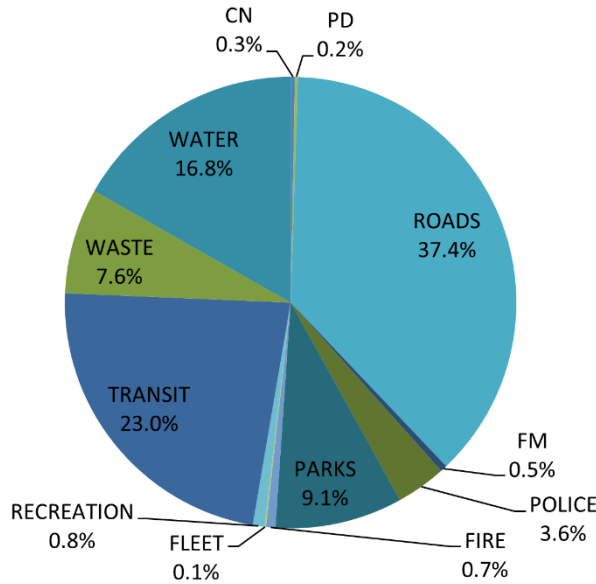


PERCENT OF AUTOMOBILE CLAIMS BY BUSINESS UNIT OR DEPARTMENT (2017 - 2021)



NOTE: Automobile claims are any losses involving City-owned vehicles, regardless of fault. This can be a City vehicle involved in a motor vehicle accident with a third party or a City vehicle colliding with an object.

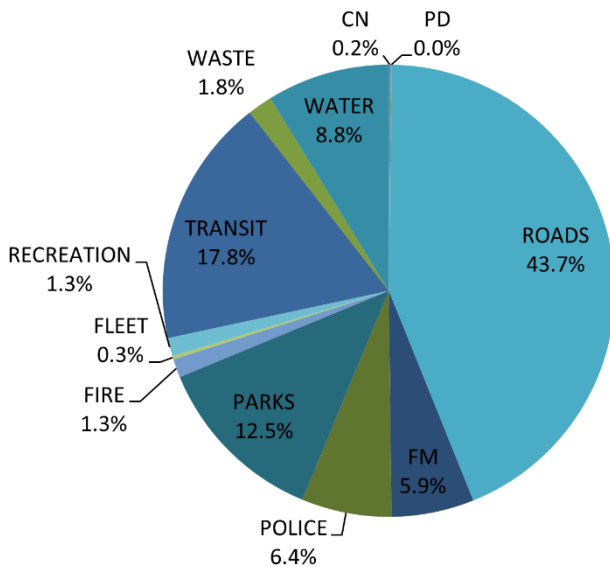
PERCENT OF LIABILITY CLAIMS BY BUSINESS UNIT OR DEPARTMENT (2017 - 2021)



NOTE: Liability claims are claims where there is an allegation that The City caused damage to a third party, excluding automobile liability.

Examples: slip & fall, potholes, sewer back-ups, water main breaks, etc.

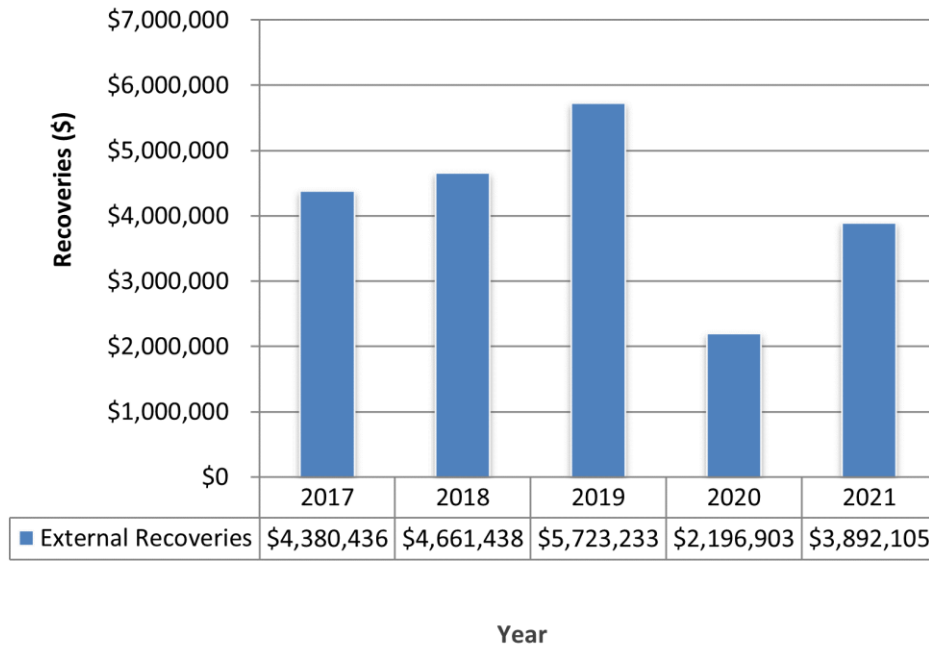
PERCENT OF PROPERTY CLAIMS BY BUSINESS UNIT OR DEPARTMENT (2017 - 2021)



NOTE: Property claims are any losses involving City-owned properties and assets.

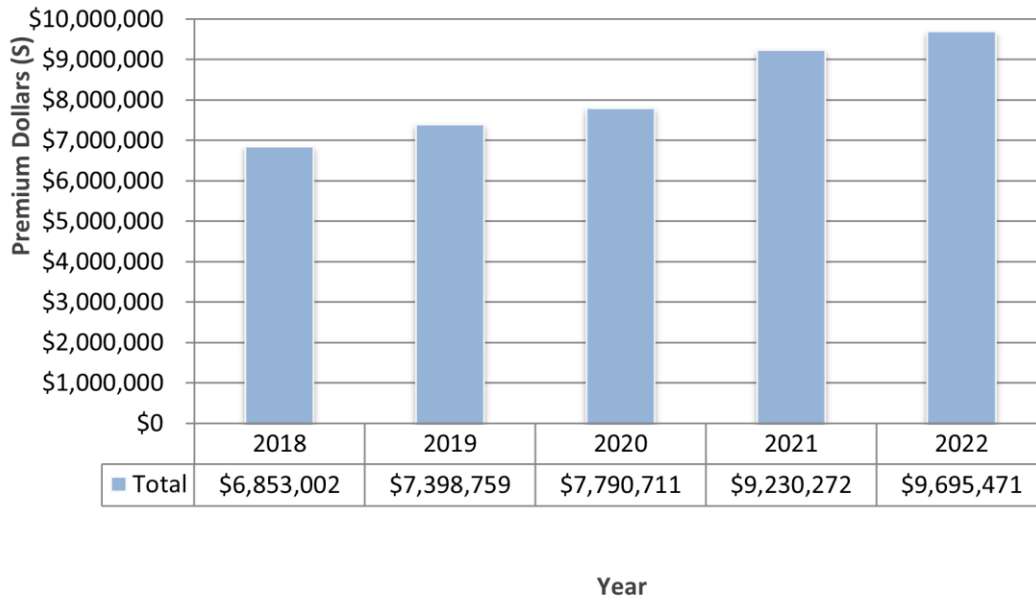
Examples: fire, theft, vandalism, hail, etc.

EXTERNAL RECOVERIES BY YEAR (2017 - 2021)



This graph illustrates the recoveries collected each year from external parties who have caused damage to City-owned property. Every effort is made to pursue responsible parties, either through direct contact with individuals or through their insurance companies. The decrease in recoveries in 2020 was primarily due to a disruption in operations from COVID-19, an overall reduction in subrogated claims, less incidents that involved a responsible third party and fewer large losses that triggered insurance recoveries.

INSURANCE PREMIUMS BY YEAR (2018 - 2022)



The City purchases insurance to protect against large, unpredictable events. This includes purchasing coverage for general liability and property losses. The premium for the insurance program is shown in the graph above.

In the insurance industry, price, terms and conditions as well as the availability of coverage and capacity are all impacted by fluctuations between soft and hard markets. Until Q3 2020, the insurance market had been considered soft for 15 years but is now hardening. Insurance rates are increasing, insurers are unwilling to negotiate terms, underwriting standards have tightened, and insurers are closely monitoring their capacity. Several factors contribute to a hard market, including increased claims activity and catastrophic losses caused by natural disasters like hurricanes, earthquakes, and wildfires. While this causes many insurers to limit their exposure and increase rates, others have chosen to exit lines of business altogether. This results in less cover being available, from a limited market, at a higher cost.