



# INSURANCE AND CLAIMS SERVICES REPORT

---



The Risk Management and Claims Division of Law acts as the corporation's insurance company, providing insurance and claims services for The City's 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, utilizing generally accepted insurance industry methods.

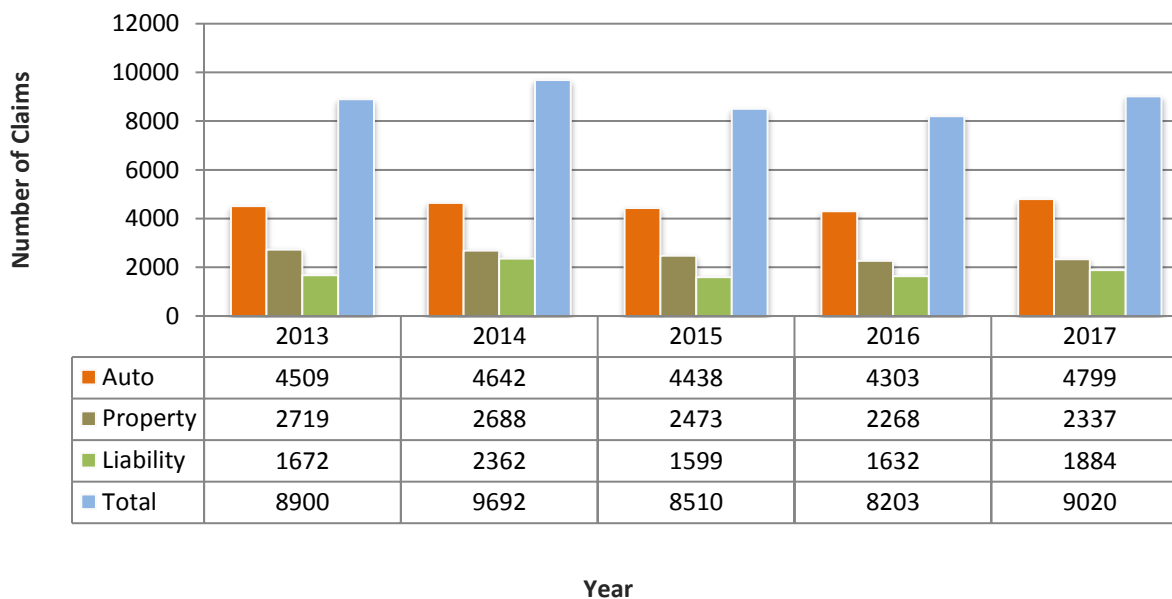
## AUTOMOBILE, PROPERTY AND LIABILITY LOSSES

- **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 REPORTED CLAIMS PER YEAR

(2013 - 2017)

(Excludes 2013 flood)



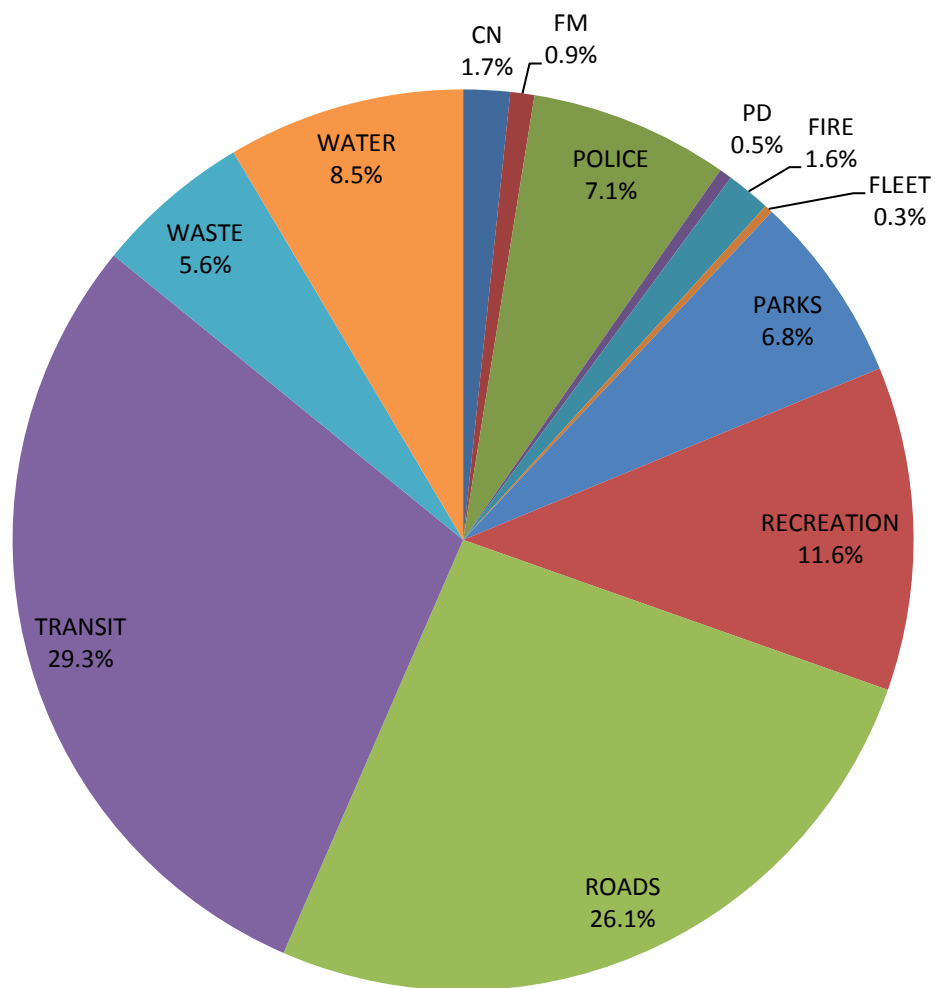
This graph illustrates an increase in the total number of claims for and against The City. The increase may have resulted from weather-related events.

## NUMBER OF CLAIMS BY BUSINESS UNIT OR DEPARTMENT

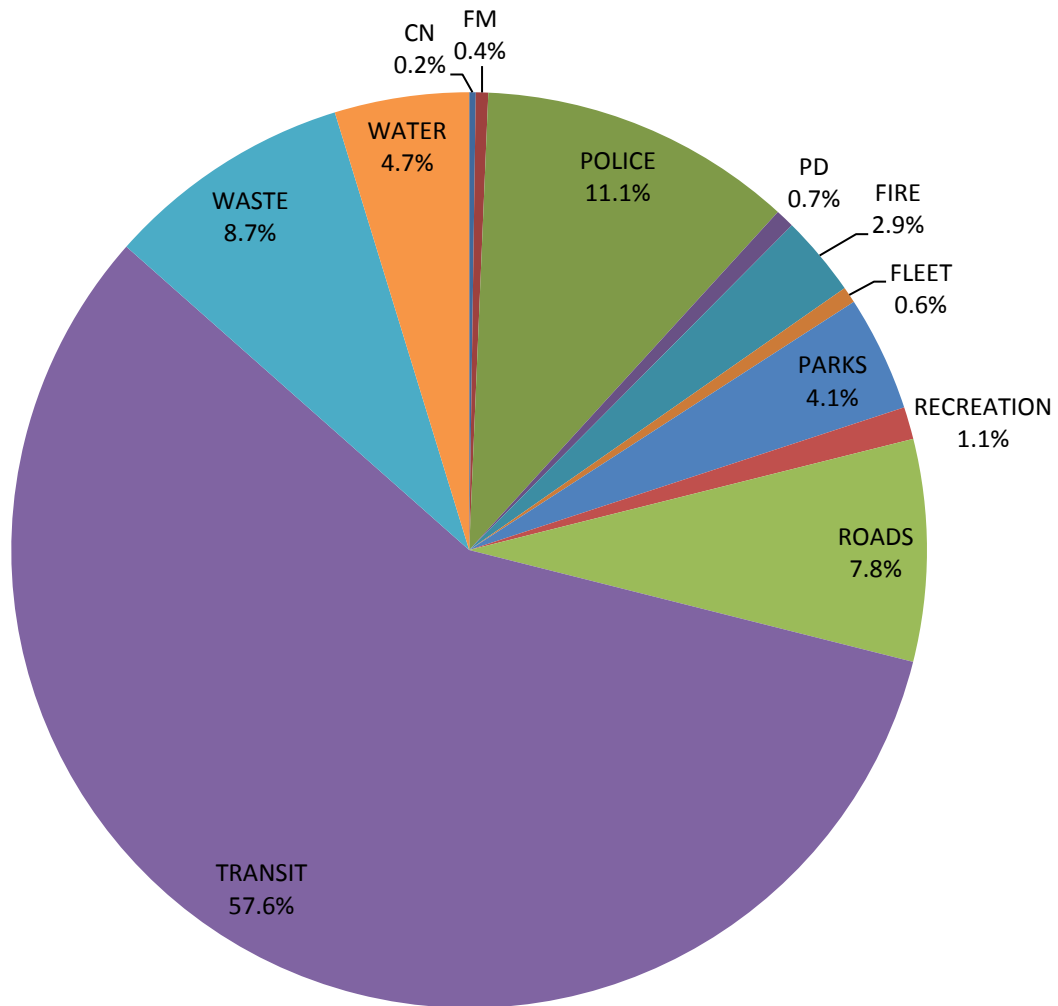
(5-YEAR AVERAGE - INCLUDES AUTOMOBILE, PROPERTY AND LIABILITY CLAIMS FOR AND AGAINST THE CITY)

BUSINESS UNIT OR DEPARTMENT	AVERAGE PER YEAR
Calgary Neighbourhoods (CN)	178
Facility Management (FM)	79
Calgary Police Service	654
Planning & Development (PD)	42
Fire Department	145
Fleet Services	27
Parks	620
Recreation	1,064
Roads	2,393
Calgary Transit	2,688
Waste & Recycling Services	514
Water Services	780

**PERCENT OF TOTAL CLAIMS BY BUSINESS UNIT OR DEPARTMENT**  
 (2013 - 2017)  
 (Excludes 2013 flood claims)

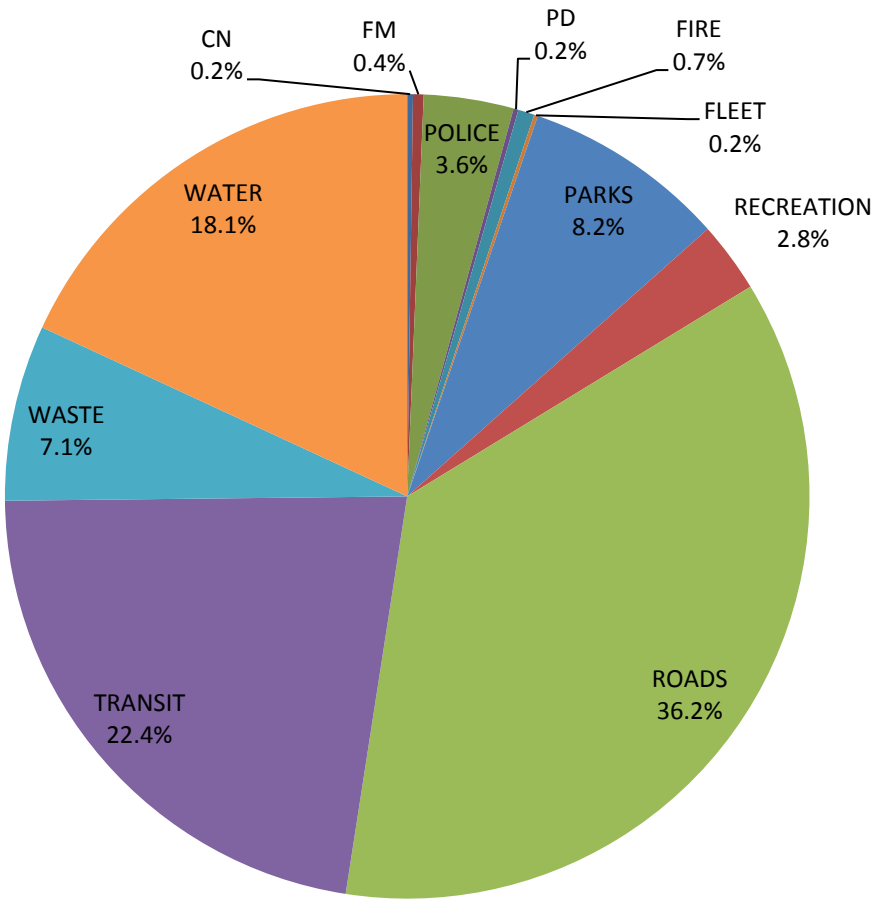


**PERCENT OF AUTOMOBILE CLAIMS BY BUSINESS UNIT OR DEPARTMENT**  
 (2013 - 2017)  
 (Excludes 2013 flood claims)



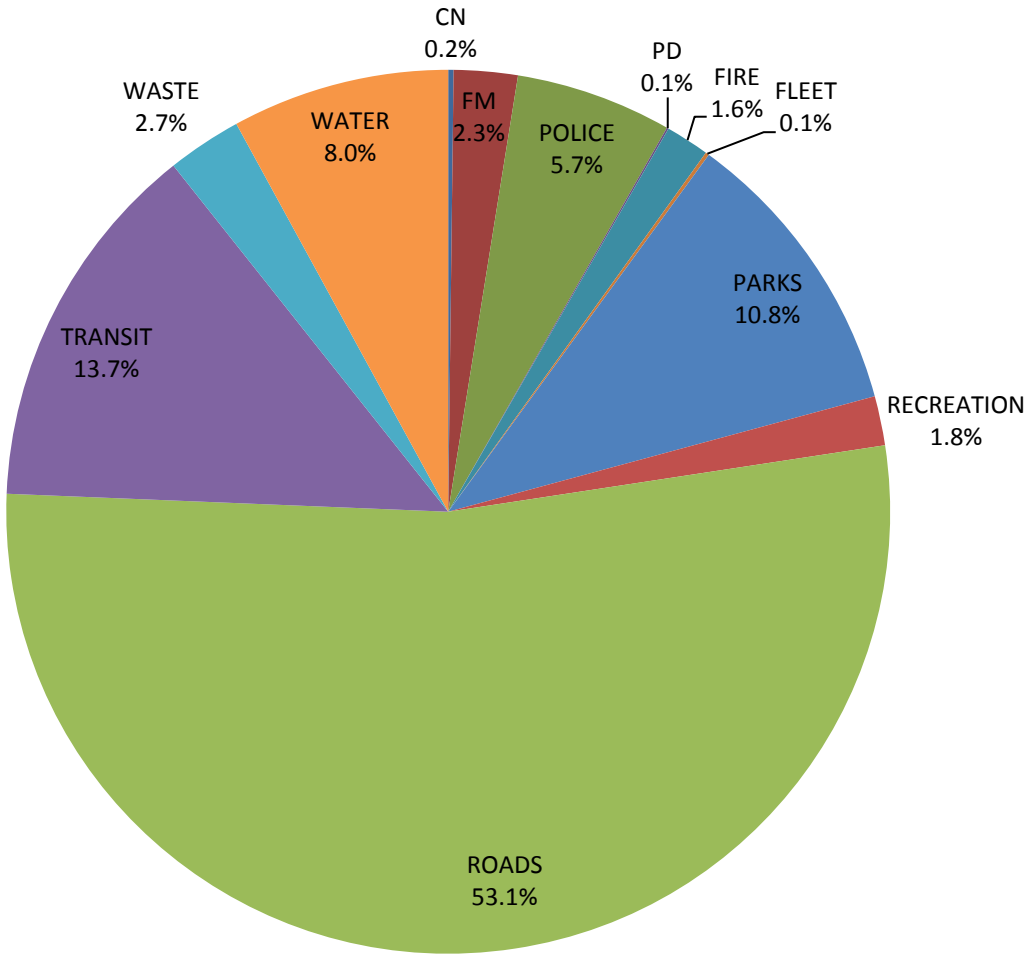
**NOTE:** Automobile claims are any losses involving City-owned vehicles regardless of fault. This can be a City vehicle involved in a motor vehicle accident with a third party or a City vehicle colliding with an object.

PERCENT OF LIABILITY CLAIMS BY BUSINESS UNIT OR DEPARTMENT  
(2013 - 2017)  
(Excludes 2013 flood claims)



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

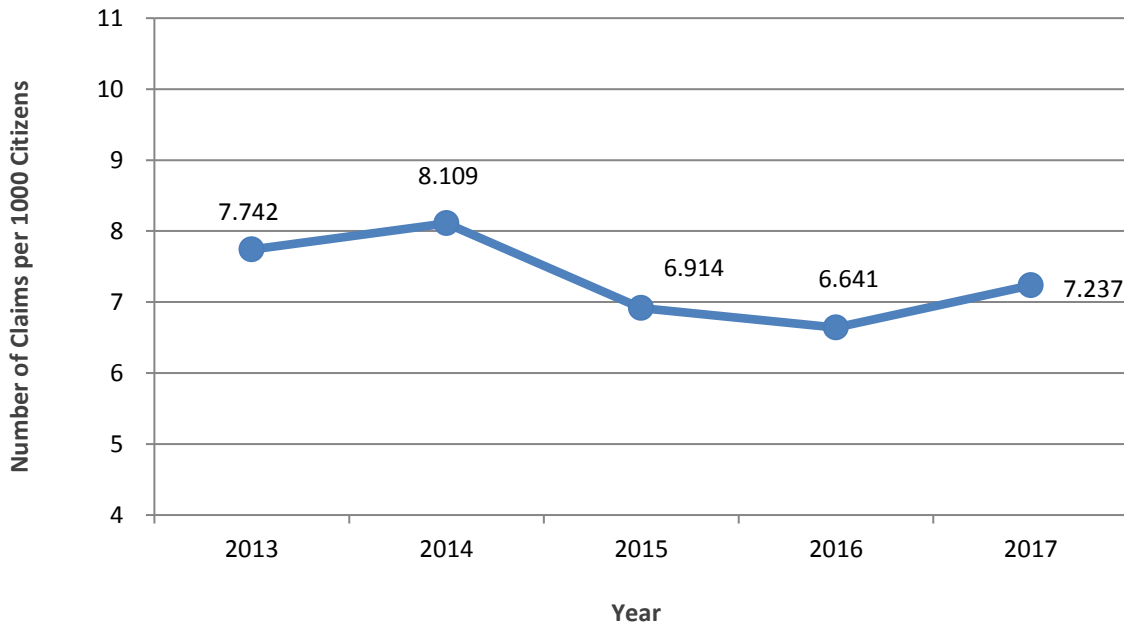
**PERCENT OF PROPERTY CLAIMS BY BUSINESS UNIT OR DEPARTMENT**  
 (2013 - 2017)  
 (Excludes 2013 flood claims)



**NOTE:** 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.

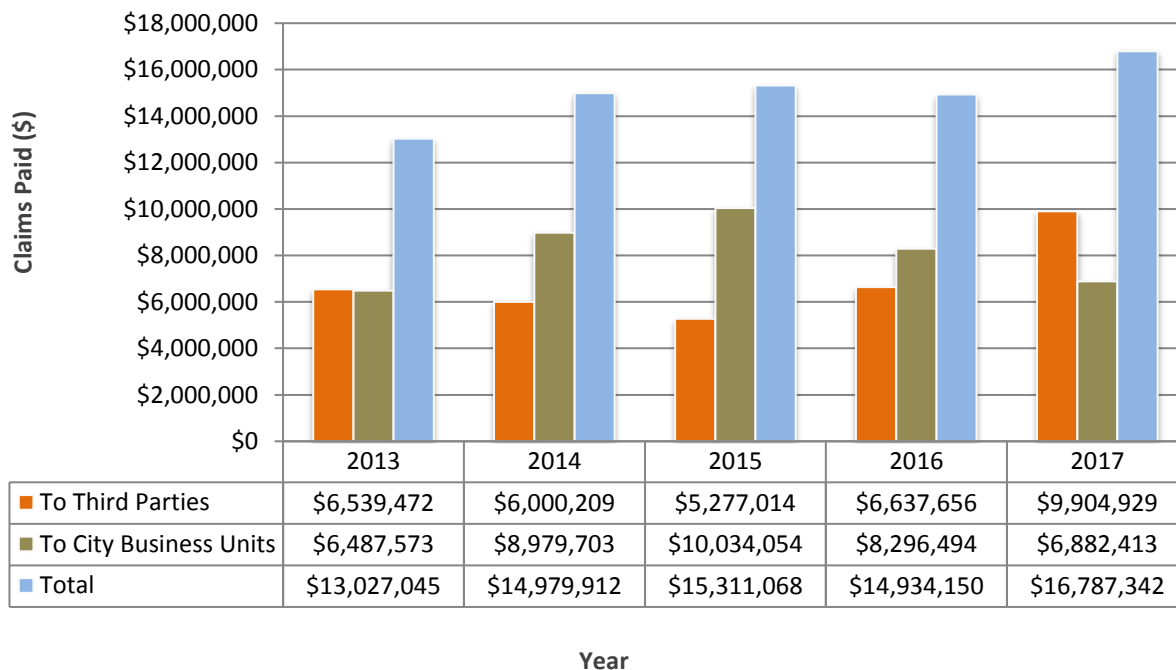
**NUMBER OF CLAIMS PER 1000 CITIZENS**

(2013 - 2017)  
(Excludes 2013 flood claims)



This graph compares the number of claims per year against The City’s total population (in thousands). The overall population statistic is taken from the [2017 Census Report](#). With both the population increasing by 11,116 and the total number of claims also increasing by 817, the average number of claims per citizen has increased from 2016 to 2017 as shown above.

### CLAIMS PAID BY YEAR (2013 - 2017) (Excludes 2013 flood claims)

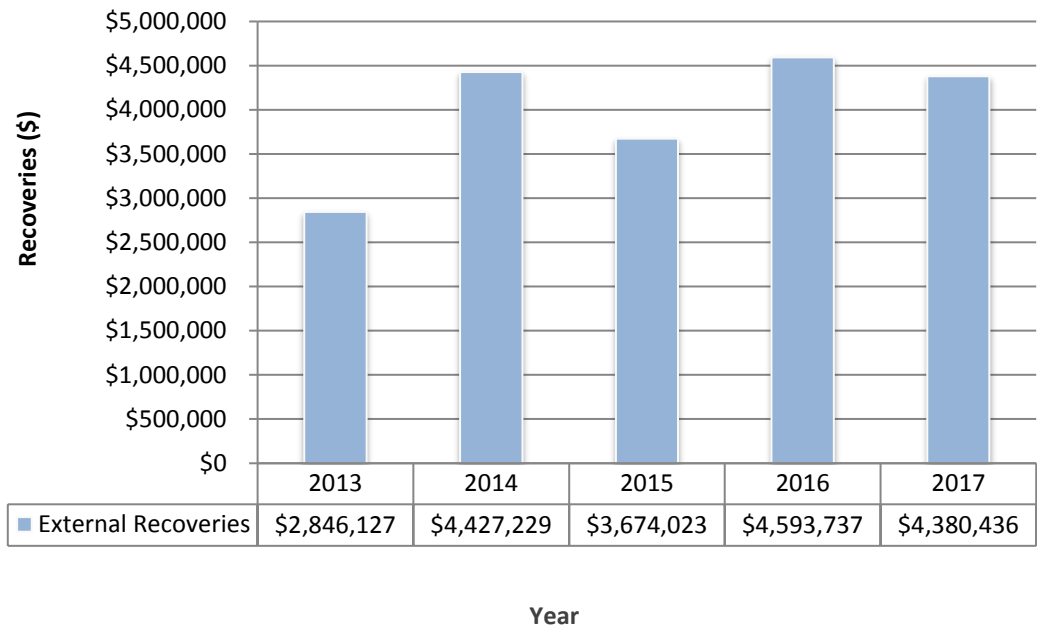


This graph illustrates amounts paid out from the Civic Insurance Program each year from 2013 – 2017 (excluding the 2013 flood). Amounts paid in each year do not necessarily correspond to events from that year. Many claims presented against The City take months or even years to resolve. For example, payments made in 2017 may have been related to incidents that occurred or claims that were filed several years prior.

To enhance transparency and service to citizens, the Risk Management and Claims Division developed an online platform called ClaimsWeb. Citizens can now go online at [www.calgary.ca/claims](http://www.calgary.ca/claims) to learn about various topics, including common types of claims such as property damage, motor vehicle and injury claims, and to obtain information about how citizens can present a claim to The City. The website also explains that making a claim does not guarantee compensation. 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 either evident or proven.

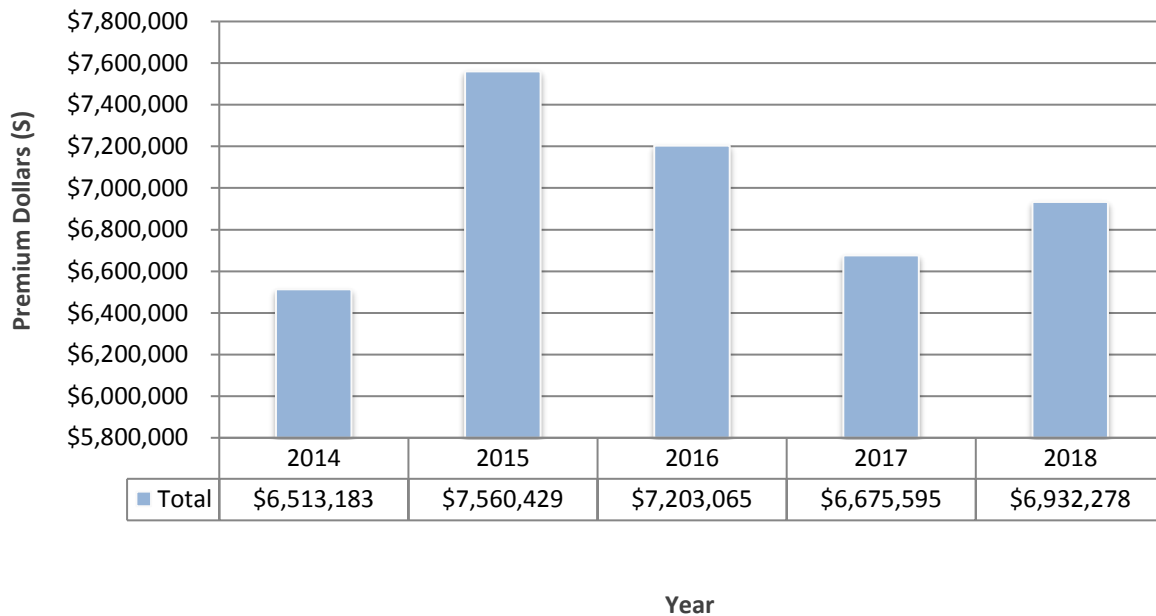
The City experienced a catastrophic claim in 2013 as a result of the flood. Given the unique nature of that event, the graph above does not include payments to City business units or civic partners for flood losses.

# **EXTERNAL RECOVERIES BY YEAR** (2013 - 2017) (Excludes 2013 flood claims)



This graph illustrates recoveries collected each year from external parties who have caused damage to City-owned property. The Risk Management and Claims Division makes every effort to pursue responsible parties and obtain collection either through the individual or their insurance company.

## INSURANCE PREMIUMS BY YEAR (2014 - 2018)



The City purchases insurance to protect against unpredictable events, including for example commercial general liability, property and automobile coverage. The premium of the insurance program is shown in the graph above.

There was a significant impact on property insurance premium following the 2013 flood. The premium has steadily reduced since then, as The City's insurers have become more comfortable with The City's exposure to future flood losses. The City continues to build resiliency into its structures and mitigate risk through flood diversion projects. For more examples of flood related projects, please visit [www.calgary.ca](http://www.calgary.ca).

The total insured value of City-owned property as of January 1, 2018 is \$10,058,708,260.

### Topic Description: Risk Management and Claims - Key Performance Indicators

Risk Management and Claims benchmarks performance by looking at year over year City data as well as risk management industry data from Government and Non-Profit corporations across North America.

#### Who are our customers

The Risk Management and Claims Division provides risk management (including insurance purchases) and claims services to the corporation and civic partners. This includes all Business Units, Council and civic partners that are part of the Civic Insurance Program.

There are business units that have a higher probability for a claim (such as Transit, Roads and the Calgary Police Service) due to the nature of the services they provide. These types of services will receive a greater proportion of insurance and claims services.

#### Lead: Risk Management and Claims

##### Key Partners:

- Litigation and Corporate Services Sections in Law
- Law
- City Business Units
- Civic partners

#### Headline performance measures

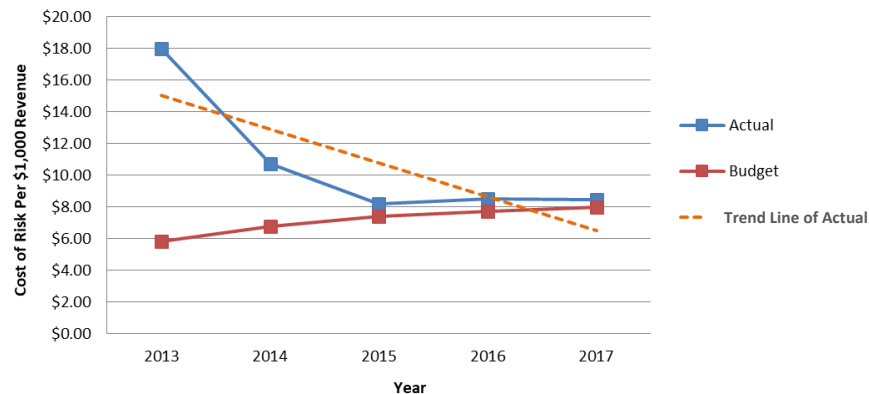
1. Cost of Risk – Operating Revenues (2013 – 2017)
2. Value of assets insured compared to cost of insurance (2014 – 2018)

#### Data development list

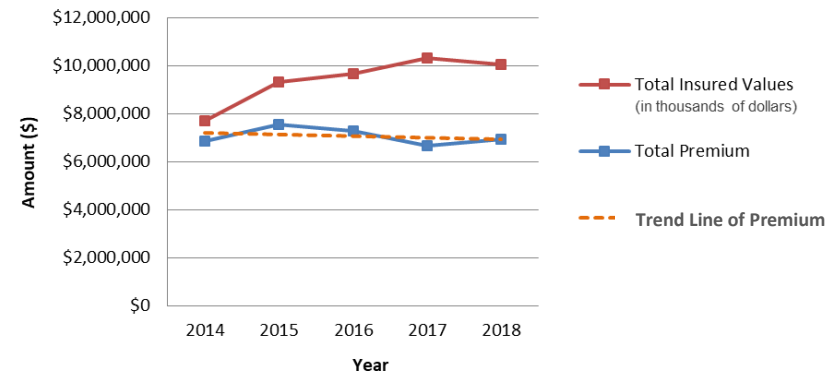
Secure more robust Canadian data for benchmarking our data.

#### How are we doing

**Cost of Risk per Operating Revenues**  
(2013 - 2017)



**Insurance Premiums - Total Insured Values**  
(2014 - 2018)



#### Story behind the baseline and emerging risks

The Cost of Risk per Operating Revenues is comprised of all insurance premiums, all claims payouts up to The City's self-insured retention of \$2,000,000, and all costs to operate the Risk Management and Claims Division of Law. Budgeting the Cost of Risk can be difficult as losses can be unpredictable.

The industry benchmark is \$12.59/\$1000 for Government and Non-Profit companies that provided data (82) for the 2018 RIMS Benchmark Survey (2017 data).

Insurance premiums increased substantially post 2013 flood. Since that time, premium costs have been decreasing. Assets insured over the same period have increased due to increased rigor to ensure that values are insured to the correct replacement cost as well as the growth of civic assets.

#### What we propose to do

Continue to showcase to insurance markets that The City is committed to building resilience in its operations by working with Resilience and Infrastructure Calgary to capture initiatives being incorporated into projects. Capitalize on networking and best practices of The City's membership in 100 Resilient Cities.

Intentional management of our assets will provide more details on City properties including insured values.

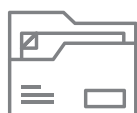
In 2018, there was an increase in The City's insurance premiums largely driven by North American losses such as those resulting from Hurricanes Harvey, Irma and Maria and wildfires in southern California.

## Insurance and Claims Services

The Risk Management and Claims Division of Law acts as the corporation's insurance company, providing insurance and claims services for all of The City's operations.



**8,865**  
number of claims  
per year (five year  
average)



**2,236**  
current open claims  
files



**\$2M**  
self-insured  
retention



**132**  
claims files resulting  
in litigation yearly on  
average

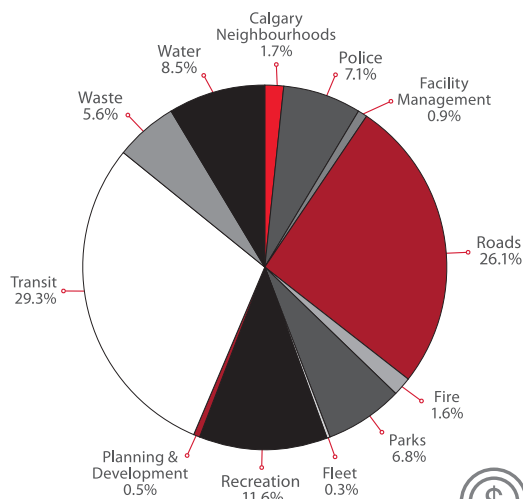


**\$4M**  
average amount  
recovered from  
responsible parties  
over a five year period

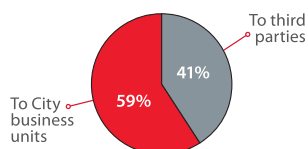
### Number of claims by Business Unit or Department

Department	Average per year
Calgary Neighbourhoods	178
Facility Management	79
Calgary Police Service	654
Planning & Development	42
Fire Department	145
Fleet Services	27
Parks	620
Recreation	1,064
Roads	2,393
Calgary Transit	2,688
Waste & Recycling Services	514
Water Services	780

### Percentage of total claims by Business Unit or Department



### Claims paid by year (five year average)



**\$15M**  
average paid  
annually on claims  
to third parties and  
City business units



**\$10B**  
value of City buildings  
and vehicles insured



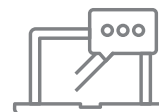
**\$6.9M**  
2018 cost of insurance  
purchased



**6,358**  
unique page-views  
on ClaimsWeb



**67**  
insurance policies  
purchased



**1,892**  
**311 Service Requests**  
in the last year



**219**  
sewer back-up claims  
yearly on average



**137**  
pothole claims  
yearly on average