

AGENDA
FIRE & EMERGENCY SERVICES COMMITTEE

Special Meeting on New Fire Department Personnel Insurance Proposal

February 20th, 2020 Directly Following Regular LRFES Meeting

Page 1

1. Call to Order
2. Presentation on How We Got Here (Alex Dumaresq, Deputy C.A.O.)
3. Review of Memo on New Group Personnel Insurance Policy (Brian Keizer, FESC Chair)
4. Question and Answer with Representatives from WCB & Insurance Broker
5. Vote on Proposal by Fire Department Representatives Present (50% + 1)

Suggested Motion:

Moved 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.

6. Adjournment



Municipality of the District of Lunenburg Fire & Emergency Services

Date: February 13, 2020
To: All Municipality of the District of Lunenburg Fire Departments
From: Fire & Emergency Services, Insurance Subcommittee
Subject: Special Meeting on New Group Personnel Insurance Policy Presentation to take place February 20, 2020, MODL Council Chambers, directly following LRFES.

Background

As you are all aware the Fire and Emergency Services Committee (FESC) formed an Insurance Subcommittee in 2018 and with assistance from Municipality have been working on obtaining group personnel insurance for approximately a year and a half. Fire departments currently have a group policy for general liability insurance for buildings, trucks etc.

Insurance for firefighters, in the case of accident or death, is currently the responsibility of individual fire departments. Presently, the level of insurance coverage provided varies between departments depending on their own financial situations or the decisions made by the department. Comparing information from across the district demonstrates that firefighters are being valued at different levels depending on which department they volunteer with; in comparison, some departments offer very low levels of coverage for their volunteers.

In order to address this issue, the purpose of the Committee was to see if a group personal insurance policy could be obtained and what it may look like if one could be put together. Their goal was to have fair, consistent insurance across all fire departments so all firefighters in the Municipality are covered equally. A consultant was hired by the Municipality to help the Committee navigate through the often complex insurance industry and a Broker for insurance services was secured to manage insurance for MODL fire services in November of 2019.

While this was underway, the Province of Nova Scotia announced in October of 2019 that WCB will be mandatory for all volunteer firefighters. WCB adds some areas of insurance for volunteer firefighters injured/killed in the line of fire fighting and some other department-related activities, while not providing coverage for some other specified activities. Personnel insurance would still be necessary to provide coverage for firefighters, auxiliaries and other volunteers injured while being involved in things outside of the WCB coverage i.e fundraising events. WCB is the first to pay out in the event of a death of a firefighter occurring in the line-of-duty, or a firefighter or junior injured during their duties (as defined by WCB).

Proposal

The Insurance Subcommittee met in January 2020 and reviewed options, results and recommendations from the Broker on the replies to a request for proposals (RFP) for group personnel insurance where two bids had been received - Provident and VFIS. (See Appendix A) The Broker said both bids were very strong in the industry, with robust coverage, good pricing, he also noted that Provident included a First Responders Assistance Program (FRAP) in their coverage at no extra charge, something fire services and the FESC had been inquiring about also for some time. Although VFIS had slightly better pricing on on-duty coverage, when factoring in off-duty and the FRAP, price advantage goes to Provident. The Insurance Subcommittee met with the Broker in January 2020 and reviewed options and recommended Provident as the provider.

The new group plan offers fair and consistent insurance across all fire departments and significantly improves coverage for many departments, nearly doubling their levels. When combined with WCB coverage, this results in far better protection for our volunteer service.

Main Insurance benefits

“Lump Sum Benefit”:

- an amount paid out if a firefighter dies while volunteering.
- Proposed group insurance benefit \$250,000
- Average current benefit: \$132,500

“weekly indemnity”:

- an amount paid per week to replace lost wages if they are injured while volunteering
 - Only replaces a % of **actual wages lost**
 - Private insurance “tops up” after other coverage (ie WCB) is paid
- Proposed group insurance benefit \$750/week
- Average current benefit: \$381/week

The Insurance Sub-Committee agreed on a lump-sum benefit of \$250,000 and a weekly indemnity benefit of \$750. In all but one cases, the level of coverage is the same or substantially better than current department’s coverage. The new proposal now expands coverage to all volunteers, whether they are fighting fires, Juniors, or auxiliary members and meets what the Insurance subcommittee was trying to accomplish.

Cost

The total of individual departments current on-duty premiums is \$52,000. The estimated group premium of the proposed insurance package comes in at \$38,500, representing an estimated \$24,300 in savings to Fire Departments. Due to the differing number of members and the level of current insurance premiums, these savings are spread across the fire service in different ways; three departments are showing a small increase in cost, however no department sees more than a \$500 increase. MODL is committed to the project and in order to help see this project implemented, the municipality is proposing covering the WCB premium cost for volunteer firefighters (approximately \$29,000) and providing a further \$10,900 towards the group personnel insurance to further reduce per-member premiums to \$44.66 per member. (See Appendix B)

Proposed project approval steps

- A Special meeting of Fire Departments is scheduled directly following the February 20, 2020 LRFES meeting. The purpose of the meeting is to review the proposal and provide an opportunity to ask questions on the insurance package before voting on whether to recommending adoption. There will be representation from both WCB and the Insurance Broker at this meeting.
- Should LRFES vote in favour, the FESC will discuss and make recommendation to Council on the proposal
- Pending Council approval, the Fire Services Coordinator would work on implementation beginning in April of 2020

Sincerely

Members of the Fire & Emergency Services Insurance Sub Committee

APPENDIX "A"

COST ANALYSIS OF BIDS

	Provident	VFIS
Total Premium (on duty)	\$38,542.42	35,040.00
Cost for off duty (member)	\$115	\$135
Cost for off duty + Family	\$185	\$265
EAP	No additional cost	\$24/member (~\$14,800)
Estimated total premium*	\$41,542	\$53,872

*Assuming only 20 members (of approx. 619) elect to purchase off-duty coverage

DEPARTMENT	# of MEMBERS	CURRENT LUMP SUM BENEFIT	CURRENT WEEKLY IND. BENEFIT	CURRENT PREMIUM	ESTIMATED NEW PREMIUM	ASSIGNED COST (after modl funding)	change in personnel insurance cost	OFF-DUTY? (Y/N)
Big Tancook Island Emergency Response Association	18	\$ 100,000	\$ 100	\$ 1,230.00	\$ 1,120.77	\$ 803.81	\$ 426.19	N
Blockhouse & District Fire Department	35	\$ 100,000	\$ 400	\$ 2,012.00	\$ 2,179.27	\$ 1,562.96	\$ 449.04	N
Conquerall Bank Fire Department	22	\$ 150,000	\$ 400	\$ 1,583.00	\$ 1,369.83	\$ 982.43	\$ 600.57	N
Cornwall & District Fire Department	36	\$ 60,000	\$ 300	\$ 1,133.00	\$ 2,241.54	\$ 1,607.61	\$ (474.61)	N
Dayspring & District Fire Department	27	\$ 200,000	\$ 400	\$ 2,520.00	\$ 1,681.15	\$ 1,205.71	\$ 1,314.29	N
District 1 & 2 Fire Commission					\$ -	\$ -	\$ -	
Hebb's Cross Fire Department	32	\$ 100,000	\$ 350	\$ 1,707.00	\$ 1,992.48	\$ 1,428.99	\$ 278.01	N
Hebbville Fire Department	28	\$ 100,000	\$ 400	\$ 2,824.00	\$ 1,743.42	\$ 1,250.37	\$ 1,573.63	N
Hemford & District Fire Department	18	\$ 200,000	\$ 300	\$ 1,547.00	\$ 1,120.77	\$ 803.81	\$ 743.19	Y
Indian Point Fire Department	13	\$ 200,000	\$ 500	\$ 2,391.00	\$ 809.44	\$ 580.53	\$ 1,810.47	N
Italy Cross/Middlewood & District Fire Department	31	\$ 100,000	\$ 300	\$ 1,215.00	\$ 1,930.21	\$ 1,384.33	\$ (169.33)	N
Lahave Fire Department	24	\$ 60,000	\$ 300	\$ 1,339.00	\$ 1,494.36	\$ 1,071.74	\$ 267.26	N
Lapland & District Fire Department	13	\$ 50,000	\$ 250	\$ 948.00	\$ 809.44	\$ 580.53	\$ 367.47	N
Mader's Cover Fire Protection Commission					\$ -	\$ -	\$ -	
Martin's River Fire Department	27	\$ 150,000	\$ 400	\$ 1,702.00	\$ 1,681.15	\$ 1,205.71	\$ 496.29	Y
Midville & District Fire Department	28	\$ 60,000	\$ 300	\$ 1,186.00	\$ 1,743.42	\$ 1,250.37	\$ (64.37)	N
New Germany Volunteer Fire Department	38	\$ 140,000	\$ 700	\$ 3,103.00	\$ 2,366.07	\$ 1,696.92	\$ 1,406.08	N
Northfield and District Fire Department	42	\$ 500,000	\$ 1,000	\$ 7,210.00	\$ 2,615.13	\$ 1,875.55	\$ 5,334.45	N
Oakhill & District Fire Department	25	\$ 150,000	\$ 450	\$ 2,849.00	\$ 1,556.62	\$ 1,116.40	\$ 1,732.60	N
Petite Riviere Volunteer Fire Department	20	\$ 150,000	\$ 300	\$ 2,059.00	\$ 1,245.30	\$ 893.12	\$ 1,165.88	N
Pleasantville & District Fire Department	18	\$ 50,000	\$ 250	\$ 948.00	\$ 1,120.77	\$ 803.81	\$ 144.19	N
Riverport & District Fire Department	36	\$ 250,000	\$ 500	\$ 4,161.00	\$ 2,241.54	\$ 1,607.61	\$ 2,553.39	Y
Tri-District Fire/Rescue	30	\$ 100,000	\$ 400	\$ 3,816.00	\$ 1,867.95	\$ 1,339.68	\$ 2,476.32	Y
United Communities Fire Department	23	\$ 100,000	\$ 300	\$ 2,543.00	\$ 1,432.09	\$ 1,027.09	\$ 1,515.91	Y
Walden Fire Department	21	\$ 60,000	\$ 300	\$ 970.00	\$ 1,307.56	\$ 937.77	\$ 32.23	N
Wileville Fire Department	14	\$ 50,000	\$ 250	\$ 948.00	\$ 871.71	\$ 625.18	\$ 322.82	N
TOTAL	619			\$ 51,944.00	\$ 38,542.00	\$ 27,642.00	\$ 24,302.00	

Less MODL Personnel Insurance Contribution (\$10,900)

\$ 27,642.00

Net Cost per member

\$ 44.66