



Town of Whitby Policy

Policy Title:	Insurance Reserve Fund
Policy Number:	F 160
Reference:	Municipal Act, Council Resolution #263-10
Date Originated:	September 7, 2010
Date Revised:	Not applicable
Review Date:	September 7, 2015
Approval:	Council
Point of Contact:	Financial Services Department

Policy Statement

The Town of Whitby shall strive to maintain an Insurance Reserve Fund as part of the Stabilization category of reserve and reserve funds so as to provide a source of funding for insurance claims and other insurance related expenditures in excess of annual budget amounts.

Purpose

The purpose of this policy is to define the approved use of the Insurance Reserve Fund and to establish a source of funding.

Scope

This policy applies only to the Town of Whitby and shall not be applied to its committees, enterprises and outside boards, commissions & agencies for which Council is required to approve annual budget estimates or levels.

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1 Definitions

- 1.1 Claims related expenditures** – includes expenses related to claims for investigations, expert advice, outside legal counsel, adjusting services and any settlements or awards.

2 Procedure

2.1 Utilization of Funds

The monies held in the reserve fund shall be used for the purposes of:

- a) Funding expenditures within the deductibles of the Town's insurance policies that are in excess of the annual budgeted deductible expense.
- b) Funding claims related expenditures in excess of the Town's insurance policies.
- c) Funding amounts authorized as per the Town's Indemnification by-law.
- d) Funding the cost of actuarial reviews of reserve fund levels as required from time to time.
- e) Funding unanticipated premium increases which are excessive to normal market conditions.
- f) Funding of additional insurance-related expenditures as approved by Council.

2.2 Funding Sources

The funding sources for this reserve fund include:

- a) Any unexpended insurance deductible expense as at year end.
- b) Any insurance premium savings as a result of increasing deductible levels.
- c) Contributions from the operating budget.
- d) Occasional third party recoveries/settlements.
- e) Any dividend payment from the Durham Municipal Insurance Pool.

2.3 Target Balance

To be determined.

2.4 Annual Reporting

The Treasurer shall report to Council the actual year-end balance in the Insurance Reserve Fund each year as part of the insured claims report.

3 Responsibilities

3.1 Council to:

- a) Approve the Insurance Reserve Fund Policy.
- b) Approve amendments to the Insurance Reserve Fund Policy.

c) Support the Insurance Reserve Fund Policy.

3.2 Chief Administrative Officer to:

a) Support the Insurance Reserve Fund Policy.

3.3 Director of Financial Services/Treasurer to:

a) Support the Insurance Reserve Fund Policy.

b) Recommend and prepare any necessary amendments to the Policy.

c) Be responsible for collecting concerns or complaints relating to this Policy.

3.4 Also refer to the responsibilities section of the Operating Budget Process, F 070.

This Policy is hereby approved by Council Resolution #263-10 on this 7th day of September, 2010.