

Did You Know?

**30 Things You
Should Know About
the MIABC**



**MUNICIPAL
INSURANCE
ASSOCIATION
OF BRITISH
COLUMBIA**



Did You Know?

We are not an
insurance company.
We are a reciprocal
insurance pool owned
by our members.

The MIABC is a member owned and operated risk pool. We were created in the 1980s at a time when BC's local governments were unable to obtain acceptable liability insurance in the commercial market. Our past is firmly rooted in the cooperative spirit and today, the MIABC continues to provide its members with advantages that no single local government could obtain on its own. From stable rates to broad coverage to an extensive selection of member services, we continually demonstrate the power of partnership. As our CEO, Tom Barnes, likes to say, "the MIABC is the greatest example of intergovernmental cooperation that you have never heard of".



Did You Know?

Our mission is to support our members to provide services to their communities, not to make money.

Our mission is to give our members the dependable support they need to foster and maintain vibrant and thriving communities. We do this by providing stable and broad liability and property insurance coverage, outreach programs, and expert advice. We do not make a profit on our insurance premiums; rather, we use premiums to pay out claims. We invest the surplus to generate income to reduce administrative costs, pay for risk management and other member services, subsidize reinsurance costs, and ensure that our insurance rates remain stable from year to year. We also return excess funds to our members through dividends.



Did You Know?

We were formed in 1987
by 144 local governments
who could not find
reasonable insurance
coverage.

In the mid-1980s, local governments in this province were facing a crisis. Liability insurance premiums had increased five-fold for many of BC's local governments, deductibles were soaring, and policy limits were falling. Most concerning was the lack of available coverage for certain major liability exposures. It seemed that the only options were either to increase taxes or accept insufficient coverage. Seeing that the solution was not going to emerge from private industry, the communities in BC turned to each other for support. The Union of BC Municipalities created a task force that returned with the recommendation to establish a self-insurance pooling program, resulting in the creation of the MIABC in 1987.



Did You Know?

Our members constitute almost 90% of BC's local governments, serving 50% of the population.

The MIABC insures regional districts, municipalities, and four other bodies, including the Union of BC Municipalities, the Local Government Management Association, CivicInfo, and the MIABC itself. In total, almost 90% of this province's local governments make up the membership of the MIABC, and our members serve 50% of this province's population.



Did You Know?

**We meet rigorous
financial standards.**

The MIABC is considered a financial institution regulated under the *Financial Institutions Act*. We must meet the same regulatory standards as credit unions, trust companies, and other insurance companies, even though we are the only reciprocal insurer in BC. With the launch of our property program in 2014, we now must meet even more strenuous requirements in order to satisfy the Financial Institution Commission's mandate to protect the public. For example, we instituted our Enterprise Risk Management program in 2011 in order to better oversee and respond to risks. By meeting these stringent regulatory standards, we are able to expand our products and services while maintaining the financial security to ensure we will be here to serve BC's local governments well into the future.



Did You Know?

Through our Enterprise Risk Management Program, we readily identify and address our risks and opportunities.

While we initially embarked on our Enterprise Risk Management (ERM) program to satisfy a regulatory requirement, we have seen tangible benefits in the form of vast improvements to the quality and efficiency of our operations. As a result of ERM, we are more proactive in our approach to risk, and we use cross-departmental collaboration to ensure we provide high-quality service to our members. We are now in the second stage of the ERM program, using customized software to enable us to better understand the connections between our risks, controls, and opportunities. We are also employing our expertise in this field to assist our members with their own ERM initiatives.



Did You Know?

We are regularly asked to share our expertise on matters important to local government.

As a result of our focus on local government liability claims, over the past 30 years we have developed a high level of expertise in the area. Our staff are regularly approached by the province and other organizations to participate in task forces and working groups to assist in policymaking that affects local governments. We have played a part in effecting legislative change, such as broadening the scope of statutory immunity for nuisance claims arising from water, sewer, drainage, and roads. While sharing our expertise, we serve our members by ensuring their interests are considered by those in a position to effect change.



Did You Know?

**Since 2006,
our members have
received a dividend
payment every year,
except one.**

On average, the MIABC returns 7% of premiums to its members each year in the form of dividends. This unique feature is only possible because we are a non-profit risk pool owned by our members. While past performance doesn't guarantee future results, we expect that dividends will continue to be a regular feature for the MIABC's membership in the years to come.



Did You Know?

One of our
cornerstones is to
maintain stable
insurance rates.

A key element of the MIABC's strategy is rate stability. We eliminate the peaks and valleys of pricing often seen in the commercial market, allowing our members to better control their budgets. Since 2003, rate increases have remained under 10%, and for many of our members, rates have, on average, decreased 1% each year. We strive to ensure not only that our rates remain stable, but also that our breadth of coverage and the manner in which we deliver services remain consistent for our members.

Did You Know?

Our members decide annually whether to expand or contract our insurance coverage.

The MIABC is a reciprocal pool. Neither staff nor the Board have the authority to change coverage. Rather, as owners, the MIABC's members dictate the extent of their coverage, voting on changes to the Liability Protection Agreement each year at the Annual General Meeting. Changes often come about because members or staff learn of a type of coverage that may be useful to local governments. The MIABC's Board then determines whether the coverage change should be put to the members for a vote. Over the years, the MIABC has broadened coverage to ensure it is keeping pace with the commercial market, while also providing coverage specifically tailored to the risks faced by local governments. Recent expansions include coverage for volunteer firefighters, contractual liability, and liability of local government service providers.



Did You Know?

**Local governments
can now purchase their
property and ancillary
coverage through us.**

In 2014, the MIABC launched its Property and Ancillary Insurance program in response to our members' request for a "one-stop shop" for insurance. Now, local governments can come to the MIABC for all of their insurance needs. The MIABC's policy provides blanket coverage for property of every description with no co-insurance requirement, coverage for business interruption and loss of income, rents and extra expense, and crime coverage.

The MIABC's brokerage arm, Civic Risk Insurance Solutions Inc. (CRIS) gives us the ability to access the insurance marketplace to purchase ancillary lines of coverage that are not insured by the MIABC. These coverages include course of construction, environmental impairment liability, commercial marine insurance, and many more. Overall, our approach has been to build a program that offers an excellent product and to deliver it with the same commitment to stable pricing and exceptional service that has always been a feature of our liability program.



Did You Know?

We offer liability coverage for groups providing services on behalf of our members.

Through our Associate Member program, we offer up to \$5 million in liability coverage for independent contractors providing services to their community on behalf of our members. Provided the service provider is sponsored by a member and meets the minimum requirements of the program, it will be entitled to full coverage under the Liability Protection Agreement with respect to services provided for, or on behalf of, the sponsoring member. Associate members accepted into the program to date include groups and individuals providing services such as firefighting, building inspection, and event management.



Did You Know?

We provide an online tool so that our members can help their facility users obtain reasonable insurance.

Most local governments stipulate that facility users arrange appropriate insurance coverage before using their facilities. The MIABC now offers a tool to help members ensure that these facility users actually obtain the coverage they need. It is a self-serve online tool through which user groups can arrange competitively priced insurance for their event. The member is automatically added as an additional insured to every insurance certificate issued through the portal, and they receive a copy of the certificate as soon as the transaction is complete.



Did You Know?

**We deal with every
claim on a
principled basis.**

We have the freedom to determine claims in a manner that best serves our members, regardless of the effect on the bottom line. Our Claims Handling Philosophy dictates that we resolve claims on a principled basis. This means we do not pay nuisance settlements. If our investigations indicate our member does not face a liability exposure, we will defend the matter thoroughly and to trial if necessary. We will spend \$40,000 fighting a \$10,000 lawsuit that has no merit because winning the case means limiting other meritless cases. In circumstances where we have identified a liability exposure to our member, we endeavour to resolve the claim as efficiently as possible in accordance with the amount of exposure.



Did You Know?

Our Member Advisory Groups provide us with detailed input on many aspects of our operations.

As a member owned organization, the MIABC depends on frequent and open feedback from members to ensure it is meeting their needs. To foster greater dialogue, in 2012 we began assembling Member Advisory Groups to provide guidance on specific areas of the MIABC's operations in addition to new initiatives. Since then, groups centred around coverage issues and financial priorities have been a great help to the MIABC in its strategic planning. In 2015, the MIABC created two new Member Advisory Groups, one dedicated to claims and the other to member services. The groups, which meet annually in addition to communicating by email throughout the year, are made up of a diverse group of local government staff.

Did You Know?

**We receive over
1,000 new claims
a year from our members
and close just as
many annually.**

Our Claims Department is comprised of five claims examiners who oversee our members' liability claims in accordance with the Claims Handling Philosophy. They typically receive over 1,000 new claims per year and close just as many. As a result of this volume, the claims examiners – who, combined, have 50+ years' experience handling the MIABC's claims – have developed a specialized knowledge in municipal claims. Their expertise with respect to the liability exposures facing BC's local governments is unmatched anywhere.



Did You Know?

We have an in-house legal department that handles 50% of our litigated claims at a significantly reduced cost.

The foundation of the MIABC's Legal Department is the pursuit of a simple goal: saving our members money. The department was created in 2006 for the purpose of substantially reducing the cost of litigating claims by handling certain cases in-house rather than using outside counsel. Today, the five lawyers who make up our internal legal team handle approximately half of the MIABC's claims. Last year, the MIABC saved its members approximately \$575,000 by having claims handled by our in-house lawyers rather than external counsel.

Did You Know?

Our members are not charged for legal or adjusting expenses if the claim never goes to litigation.

We encourage early reporting of potential claims so we can investigate, and hopefully resolve, disputes early. We often hire adjusters to investigate claims and at times hire lawyers to help resolve them, all before the member has been served with a legal action. To alleviate members' concerns that their deductible may be applied to investigate a claim that never comes to fruition, we do not apply the cost of investigating or resolving claims against the member's deductible unless the member has been served with a legal action. If the claim never gets to litigation, the MIABC pays all of the investigation costs.



Did You Know?

You can call us whenever you have a question about anything, and we will help you find the right answer.

Our staff provide daily support to members by telephone and email. We pride ourselves on being knowledgeable and easy to reach. From information about coverage to advice on drafting a policy or a contract, we aim to provide timely and practical advice. We encourage our members to call us with any question; even if we do not know the answer, we make sure we help our members find it.

Did You Know?

**Our members can
receive legal advice for
between \$250 and
\$750 per year.**

We recognize that our members face legal issues that are unrelated to the claims we cover. We also understand that lawyers are expensive and that it is not economically feasible for our members to retain one every time they have a legal question. The MIABC created the Casual Legal Advice program to help members access legal advice at a reasonable cost. For a low annual fee of \$250 to \$750, subscribers to the program can contact the local government lawyers at Lidstone & Company as many times as they want, for up to 30 minutes of legal advice per question.



Did You Know?

Our members can use their Risk Management Grant to fund an audit of their policies.

The Risk Management Grant program provides members with 1% of the MIABC's equity each year to fund new risk management initiatives. This is equivalent to returning 4.5% of annual premiums to our members. Any risk management project or initiative is eligible for a grant, provided it is aimed at reducing liability and property claims. For example, members can use their grant to fund a policy audit. Members can hire a risk management consultant to survey their policies and make recommendations about creating additional policies or revising existing ones. To assist members in developing new policies, the consultant can interview staff to ensure the service level accords with the member's resources.



Did You Know?

**We design tools to help
reduce local government
liability risks.**

As a risk pool, it is in the membership's interest that every member take steps to reduce its liability exposure, thereby avoiding claims. Using our expertise in local government liability, the MIABC has designed several tools to assist with this endeavour. These include a sidewalk measuring tool and sign stencils for docks and recreational trails. In addition, we have developed a number of policy templates and inspection checklists.



Did You Know?

We offer complimentary inspections of local government facilities to minimize hazards.

Our members are eligible for site inspections carried out by loss control specialists. Following an inspection, members are provided with a detailed loss control report setting out any risk exposures and providing recommendations to alleviate those risks. This service is entirely free for members, and there is no requirement to address the identified risks in a particular manner. Where a recommendation touches on a liability-related issue, members can apply to the MIABC for a Risk Management Grant to cover the cost of implementing the recommendation.



Did You Know?

**Our members can
use our claims data to
help make important
decisions.**

The MIABC's long history as BC's local government insurer means we have a wealth of claims data at our fingertips. Using information collected over the past three decades, we provide members with tailored, high-level claims summaries and research on areas of significant loss exposure. For smaller members without a long claims history, we provide an anonymous comparison with similar local governments to highlight likely areas of exposure. These complimentary reports are tailored to the needs of the requesting member. By sharing information in this manner, we aim to help our members allocate their risk management resources more efficiently.



Did You Know?

We provide
scholarships for risk
management and
ERM training.

The MIABC's Scholarship Program was established in 2012 to encourage and promote the study of risk management among MIABC members. Staff of MIABC members can apply to receive funding for tuition fees and books to take the three courses required to obtain a Canadian Risk Management (CRM) designation. Applicants can also receive funding to obtain an Enterprise Risk Management Certification designation or obtain a Chartered Insurance Professional (CIP) designation.



Did You Know?

**We hold an annual
Risk Management
Conference.**

The MIABC's Annual Risk Management Conference is held each spring in Vancouver. Sessions cover the basic tenets of risk management, as well as more advanced topics. In recent years, the conference has featured streams, including parks & recreation, building inspection, and administration, so that delegates can tailor their conference time to their specific area of interest. In addition to its educational component, the conference provides an excellent networking opportunity for attendees to make connections with their counterparts from across the province.



Did You Know?

We will come to you to host a regional seminar, talk to your council or board, or train your staff at no charge.

We want to share our knowledge and see our members face-to-face as often as possible, particularly in their own regions. In addition to attending local government chapter conferences, the Member Services Department conducts regional seminars around the province on various risk management topics. These seminars provide attendees with an opportunity to connect with their colleagues from other local governments in the region. We also provide workshops and training directly to our members' staff. Recent workshop topics include risk management for police departments and how to effectively use the policy defence.



Did You Know?

Our members can attend live and recorded webinars to learn about risk exposures and coverage issues.

The MIABC uses webinars to regularly connect with its members who are spread out across our vast province. Our monthly webinars cover a variety of topics, including risk management issues, legal developments, coverage questions, and advice on making the best use of the MIABC's services. The webinars are broadcast live so that participants can ask questions in real time. In addition, past webinars are available on our website for future reference.



Did You Know?

**Our members receive
risk management
advice when we
close claims.**

Our members' past claims experience can be helpful in identifying and minimizing future risks. As a result, we ensure our Claims Department and Member Services Department do not operate in isolation. Every time the MIABC makes an indemnity payment on a claim, the Claims Examiner who handled the file provides it to our Risk Management Advisor who then reviews the facts and provides the member with advice on avoiding similar claims. In this way, we strive to "close the loop" of risk exposure for members.

Did You Know?

We are continually refining and developing our products and services to best serve our members.

As communities grow and evolve, so do their needs. To ensure our members always receive the support they require, we continually seek feedback and explore ways to expand and improve our products and services. Over the years, this has resulted in wider coverage, expanded member services, and the introduction of new lines of insurance. Because the MIABC is owned by the communities it insures, we are committed to ensuring our members get the dependable support they need. This has been our focus for the past 30 years, and it remains our focus for the future.

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Association of British Columbia**

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