



STAFF REPORT

DATE: April 28, 2023 **FILE:** 0550-04 Board

TO: Chair and Directors
Regional Board

FROM: Dave Leitch
Chief Administrative Officer

RE: INSURANCE COVERAGE FOR COMMUNITY NON-PROFIT GROUPS

PURPOSE/PROBLEM

To consider the extent to which community non-profit groups can obtain coverage through the Municipal Insurance Association of BC (MIABC) for their activities.

EXECUTIVE SUMMARY

The attached item of correspondence was considered at the April 12, 2023 meeting of the Regional Board at which time the following resolution was passed:

Mawhinney/Vonesch: SRD 353/23

Whereas the costs of insurance are continuously increasing and are a costly impediment to community non-profit organizations, and whereas community non-profits often rely on grant-in-aid funding from the Regional District to support their operations in the face of rising insurance rates, and

THAT the Strathcona Regional District send a letter to MIABC inquiring under their Framework for Capturing Ideas about the possibility of offering access to insurance for community-focused non-profits.

The MIABC is an affiliation of local governments that has pooled its resources to obtain insurance coverage for its members over the last 35-40 years. The Regional District currently has a policy with the MIABC that protects itself and its employees, elected officials, and other representatives (with some exceptions) for costs awarded by court judgement. The Regional District's policy does not extend coverage to any third parties such as community non-profit organizations.

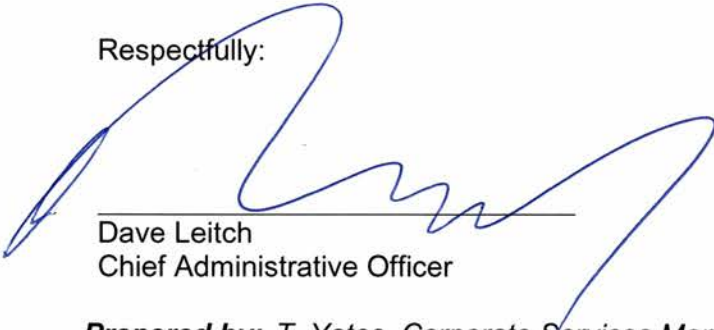
A few years ago, the MIABC implemented an 'Associate Member' program which allowed community non-profit organizations to seek coverage under the local government's insurance policy but only to the extent that the community organization provided services on behalf of the local government. The Regional District has previously investigated the possible application of this program for a few community organizations such as the Quadra Island Recreation Society (QIRS) which manages the local community centre on behalf of the Regional District. However, in that case, since the QIRS program encompasses a much broader scope than the service operated on behalf of the Regional District, the QIRS would also need to retain its own independent insurance coverage for those activities that fall outside the boundaries of the service provided on behalf of the Regional District.

In support of the Board's recent directive, staff have corresponded with the MIABC to determine if there had been any changes to the Associate Member program that might provide easier access for community organizations. The MIABC has confirmed that the parameters of the program remain unchanged.

RECOMMENDATION

THAT the report from the Chief Administrative Officer be received.

Respectfully:

A handwritten signature in blue ink, appearing to read 'Dave Leitch', is written over a horizontal line. The signature is stylized and extends to the right of the line.

Dave Leitch
Chief Administrative Officer

Prepared by: *T. Yates, Corporate Services Manager*

Attachment: MIABC Associate Member program



Associate Member Program

Liability coverage may be available for your local government service providers under the Liability Protection Agreement.

The MIABC recognizes that local governments often hire community groups, associations, and individuals to provide services on their behalf. These individuals and groups may provide services such as:

- Recreation instruction;
- Trail, campground, or park operation and maintenance;
- Local government event management; and
- Inspection services.

Our members can now apply for liability coverage for individuals, groups, and associations that provide services for, or on behalf of, their local governments, up to a limit of \$5,000,000.

These individuals, groups and associations must be individually sponsored by a member in order to qualify for “associate member” status. Once accepted as an associate member, these parties will be entitled to coverage under the **Liability Protection Agreement**, but only for services provided for, or on behalf of, the sponsoring member.

In order to qualify as an associate member:

Sponsorship

The associate member must be sponsored by an existing MIABC member.

Approval and Underwriting

The MIABC must approve and underwrite the use of the program for the proposed Associate Member.

Written Agreement

The sponsoring member must have a written agreement for the provision of services with the associate member (the "Service Provider Agreement").

Community

The services provided are services to the community provided for, or on behalf of, the sponsoring member.

Approval

The Service Provider Agreement must have been approved by the sponsoring member's council or board by resolution or bylaw.

Premium Payment

The sponsoring member must pay an additional premium on behalf of the associate member.

Important Considerations

It is important to understand by adding an associate member to your liability policy it means that the sponsoring member is taking on the liability for the individual, group or association when they are providing the services outlined in the Service Provider Agreement.

The sponsoring member's deductible will apply to claims brought against the associate member and the sponsoring member will be responsible for the payment of any costs incurred below the deductible.

In addition, all claims brought against the associate member will form part of the sponsoring member's claims history and experience rating.

If you'd like to learn more about our Associate Member Program, we would be happy to help!

Get in Touch