

Insurance & Claims

Led by: City Solicitor & General Counsel

Service Description

Insurance & Claims monitors the operational risks of The City and associated boards and authorities to determine cost-effective ways to eliminate, reduce, manage, transfer or insure such risks. We also manage the adjustment of claims either brought forward by the public or The Corporation in a fair and equitable manner.

Service Updates

Key Service Results

- Insurance & Claims upgraded its claims database
- Insurance & Claims upgraded its citizen-facing technology to expedite the claims process.
- Insurance & Claims enhanced its metrics and key performance indicators.
- Insurance & Claims updated its vendor contracts to support efficiency in the claims management process.

Service Challenges

The complexity of claims and the cost of settlements are increasing. Inflationary pressure has increased the cost of labour and materials which has had a direct impact on claims. The volume, velocity and complexity of claims continues to impact service demand.

Trends & Potential Uncertainties

The City's insurance program has been affected by hard market conditions in the insurance industry over the last 4 years. We continue to market the insurance program both domestically and internationally to ensure The City can purchase the best commercially available coverage. Large weather events continue to occur more frequently and have impacted insurance rates. Maintaining cyber insurance has been a focus of the team.



Measuring Our Performance

Legend

— Actuals

■ Expected Future Performance

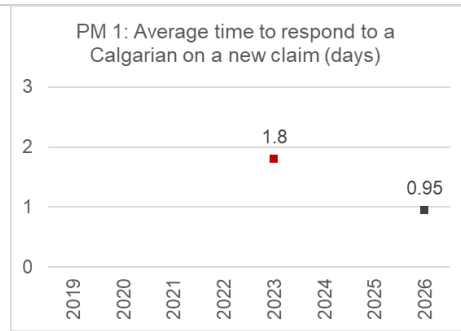
➡ Progressing as planned

⊖ Not progressing as planned

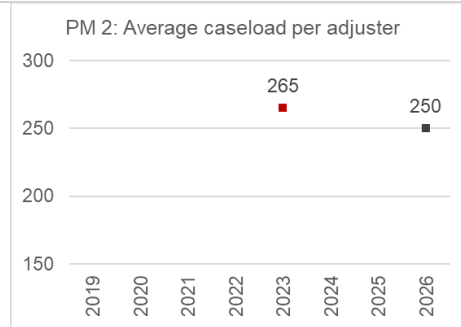
Performance Measures

Story behind the numbers

Status

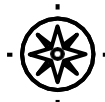


Automation has been built in to our database system and claims management process to reduce the response time to Calgarians on new claims. Initial contact with a claimant is expected to be within 24-48 hours.



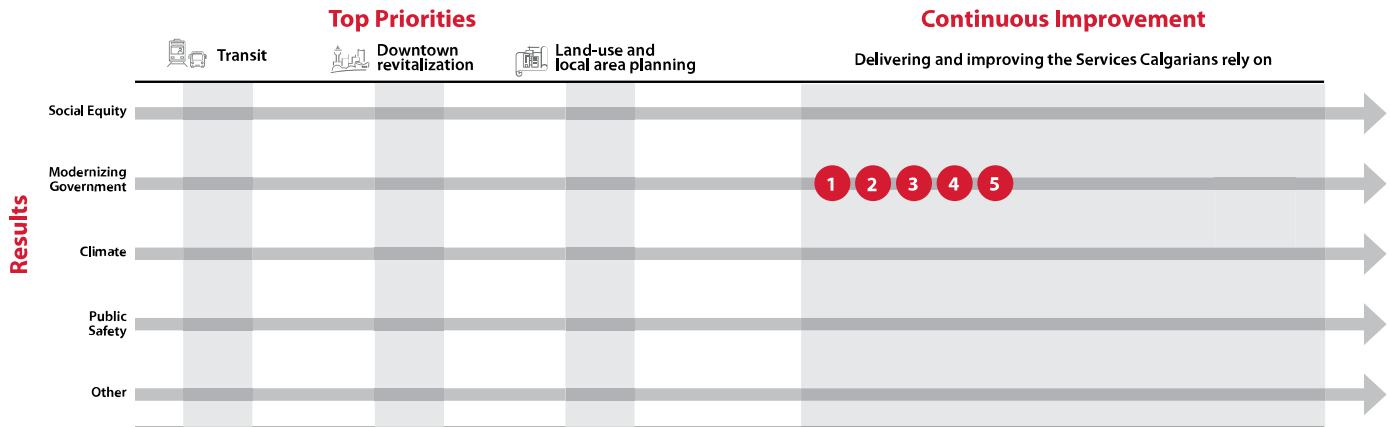
There is a continued focus to reduce the number of active claims assigned per adjuster. Information is available to Calgarians on our public site: calgary.ca/claims, which helps reduce the number of incidents being reported that are not valid claims.





Progress on Service Delivery

Alignment with Council Refined Priorities and Result Areas



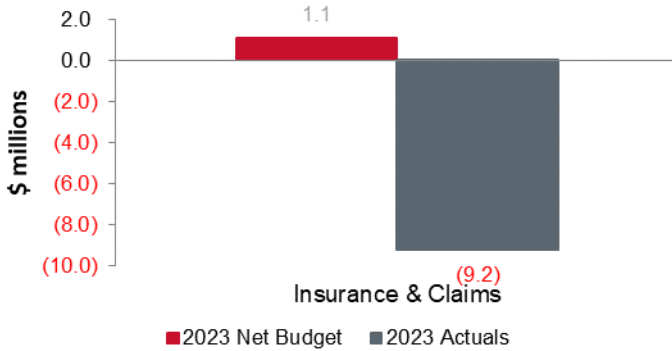
- Legend**
- Completed
 - Progressing as planned
 - Not progressing as planned
 - Not started
 - Initiative number

Initiative	Initiative Update	Status
1 Continue to build strong relationships within the insurance industry to reduce market risk and volatility in the corporate insurance program.	Initiative is progressing as planned. Information about The City's risk profile is shared regularly with the insurance industry. New markets are included in the annual insurance renewal discussions to further reduce the potential volatility in the insurance program.	
2 Continuous improvement initiatives to automate and enhance claims data collection and continue corporate discussions about risk and claims reductions.	Initiative is progressing as planned. The intake of claims data is now automated, both internally and externally. Further automation in claims reporting is expected in 2024.	
3 Continue to conduct loss control inspections.	Initiative is progressing as planned. Loss Control inspections were completed in Q4 2023 as well as Q1 2024. Critical infrastructure was inspected, including the Municipal Building. Further loss control inspections will be carried out in Q2 and Q3 of 2024.	
4 Support currency of replacement costs for the corporate property insurance policy and ensure ongoing compliance with Provincial automobile insurance requirements.	Initiative is progressing as planned. A significant number of appraisals will be complete in Q1 2024. The appraisals are conducted on various City properties, including transit garages, water treatment plants, fire halls, office space, etc. This exercise provides updated replacement cost values for our property insurance program.	
5 Focus on the employee experience to support a high performing, healthy and engaged workforce.	Initiative is progressing as planned. Staff have indicated in a recent corporate employee survey that they are more engaged and energized in the workplace. Employee well-being is also supported by various team-building activities that were carried out in 2023.	



Service Updates on Financial Performance

**Net Operating Budget and Actuals
as of December 31, 2023**

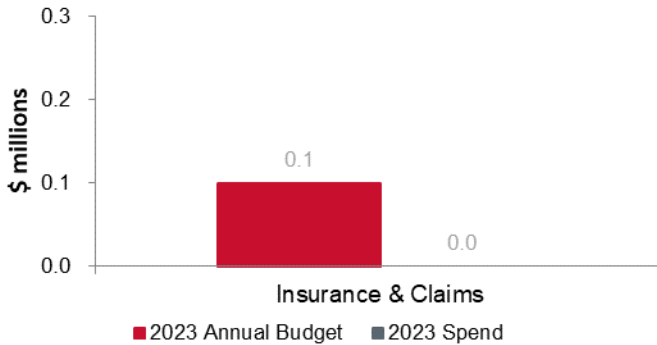


Operating Budget Updates - 2023 net operating budget vs actuals:

Insurance and Claims has a favorable operating variance of \$10.3 million. The primary drivers of this variance were a decrease in the provision for open claims and lower insurance settlements, totaling \$9.4 million. Additionally, there were savings in salary and wages, amounting to \$0.6 million, as well as reduced spending on business expenses and communication services, totaling \$0.3 million. Given the unpredictable nature of claims, it is normal to observe such variances in a particular year.

In 2023, Insurance & Claims continued to manage claims in a fair & equitable manner, both internally for business units and externally for Calgarians. The corporate insurance program also continued to be marketed domestically and internationally for the best commercially available coverage.

**Capital Budget and Spend as of December
31, 2023**



Capital Budget Updates - 2023 total capital budget vs 2023 spend:

Insurance & Claims has spent 52.7 per cent of the 2023 approved capital budget. The underspend is mainly attributed to the claims database project received additional funding support from IT.

In 2023, the capital expenditures have been primarily used to upgrade the Insurance & Claims database system.