SUBJECT: Insurance Litigation Report as of July 31, 2016

TO: Community and Corporate Services Committee

FROM: Finance Department

Report Number: F-34-16

Wards Affected: All

File Numbers: 405-01

Date to Committee: September 12, 2016

Date to Council: October 3, 2016

Recommendation:

Receive and file finance department report F-34-16 regarding insurance litigation as of July 31, 2016.

Purpose:

An engaging City-Good Governance

Background and Discussion:

This quarterly report is brought forward to Council for the purposes of informing members of Council on the status of insurance claims that are in litigation and further, to provide information with respect to the recommendations that are made to the departments involved in the litigation from the perspective of a legal liability exposure.

This report contains confidential appendices concerning insurance litigation matters in which the City is involved and is subject to solicitor/client privilege. The confidential appendices also provide financial information about claims that have been settled.

Quarterly reporting of insurance claims will ensure that members of council are advised of significant developments in claims on a timely basis. Reportable developments throughout the litigation process will include, at minimum, receipt of service of a Statement of Claim, pleadings, scheduling of examinations for discovery, undertakings, mediations, pre-trials, trials, and appeals.

Litigation may take years to settle because the progress speed for civil claims is dependent on a number of factors. These factors include the complexity of the claim, number of parties involved in the litigation, the amount of damages claimed, the court in which the lawsuit was filed and the caseload of that court and whether the claims are resolved through mediation or alternatively, go to trial.

The terms and conditions of the policies of insurance do not permit the City to investigate, defend and settle the majority of the claims as set out in the Appendices as the damages claimed are in excess of the City's deductible. The City, as the named insured, is contractually responsible to reimburse the insurer for claims expenses up to the amount of the deductible upon the insurer's request. Claims expenses include, but are not limited to, investigation expenses, defence expenses and settlements to the plaintiff(s). All claims expenses in excess of the deductible are the responsibility of the insurer.

Confidential Appendix A of this report includes all open insurance claims that are in litigation as of July 31, 2016. Confidential Appendix B of this report includes all claims that have settled or have been closed since April 30, 2016.

This report is to be received and filed. The appendices are confidential and subject to solicitor/client privilege.

Respectfully submitted,

Marjorie Rossetto

Insurance & Risk Management Officer

335-7600 ext. 7645

Appendices:

a. Confidential-Open Claims as of July 31, 2016.

b. Confidential-Closed Claims as of April 30, 2016.

Report Approval:

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.