



# UPDATE

NOVEMBER 2018

## Average 10% rate increase for 2019 renewal

Across Canada, property insurance rates are facing challenging times, and CHF Canada's program is no exception. Claims are on the rise—both the frequency and the cost of those claims continue to increase. CHF Canada and The Co-operators, as partners in your commercial insurance program, work hard to minimize the increases and provide the best coverages possible.

### Claims experience differs across the country

Claims experience for regions varied, resulting in different changes to the rates for each region. In addition, further segmenting within those regions helps establish renewal rates consistent with claims experience.

**EAST** Experience in Eastern Canada was again quite good, which resulted in an overall **average** increase of 1%.

**ONTARIO** Experience in Ontario wasn't quite as positive, resulting in an overall **average** increase of 12%.

**BRITISH COLUMBIA** Experience in B.C. has been quite challenging, resulting in an overall **average** rate increase of 15%.

**ALL OTHER WESTERN PROVINCES** Experience in the other western provinces has been very good, resulting in an overall **average** decrease of 1%.

### Weather-related and large losses

One factor in the increase in weather and fire loss claims for insurance companies nationally is climate change. The Insurance Bureau of Canada says that our changing climate is creating more weather extremes—more rain, heat, drought and wind. This has a direct impact on the number of claims facing our program. In addition, older buildings experience large fire and water damage claims more frequently and will now be rated accordingly.

On the positive side, co-ops can make a difference to their program by implementing a **Risk Management Program** and checking their units for common risks leading to claims by filling out the risk management checklists we send you (see page 3 for more details).

### Other factors that impact the renewal

No changes were made to the credit/surcharge table, so the credits and surcharges calculated using your co-op's loss ratio will be the same as last year. Co-ops that practise good risk management will benefit once again.

Your co-op may see an increase or change in the final **premium amount** you pay due to:

- An annual inflation factor is applied to make sure your coverage limit keeps up with inflation. For 2019, an inflation factor of 2% will be applied in all regions. If you've had a building valuation assessment within the past 18 months, the inflation factor will not apply.
- Your five-year loss ratio may result in a credit or surcharge on your premium.
- Earthquake rates have increased, so if your co-op is located in an area at higher risk for earthquakes (areas in B.C. and the Ottawa Valley) you may see an increase in premiums.

## **NEW** Changes to existing coverages

Good news! The Co-operators has increased limits for the following coverages **at no extra cost**.

- **Legal Liability for Damage to Hired Automobiles (SEF94)**—limit increased to \$100,000.
- **Sub-limit for paving (parking lots, etc.)**—increased to \$250,000.
- **Blanket Accident Weekly Indemnity**—limit increased to a maximum of \$1,000 per week.
- **Volunteer Blanket Accident coverage**—volunteers receiving honorariums of \$2,000 per year or less remain eligible for coverage as a volunteer.

## Higher limits available for some coverages

Our commercial insurance program with The Co-operators continues to improve to meet the needs of today's changing world. As a result, higher limits are now available on the following coverages.

- **Directors and Officers liability coverage**—We encourage co-ops to consider increasing this coverage to ensure you're covered in the event of a large claims settlement. Limits are now available up to \$5 million.
- **On-site Pollution clean-up**—Limits are now available up to \$500,000.

## Still included in the program

### Help for small co-ops

In order to help keep the program fair to everyone, premiums for small co-ops will again be subject to a separate discount/surcharge table that considers the lower premium those co-ops pay for insurance. This separate table will continue again this year. Small co-ops are identified as those with an annual premium of under \$4,000 in the Atlantic and \$8,000 in the Western regions.



### Claims Free Guarantee replaces the Accident Forgiveness Endorsement

If your co-op has remained claims free for a period of five years or longer, this endorsement will be added to your policy at no additional cost. Co-ops that have not made any claims in the past five years will continue to qualify for this coverage so that the first time they do make a claim, it's forgiven and will not count towards their loss ratio or affect their discount or surcharge. So co-ops should think twice about making small or unnecessary claims and be encouraged to become claims-free to take advantage of this unique and important coverage. If you have a second claim within five years, a claims surcharge will apply.



# CHF Canada's Risk Management Program

## Continuing our success into 2019

**Keep your co-op safe! Save money on your insurance!** CHF Canada and our partners, The Co-operators, launched our Risk Management Program earlier this year and the participation results have been very encouraging. Your co-op received everything you need to check your co-op units for common risks that could cause injury and lead to insurance claims. We also sent you education material to help your members understand the risks that could be present in their everyday lives.

The program had a **very** successful first year. To date, we have received over 6,000 checklists from 180 co-ops, representing almost 25% of member housing co-ops participating in our commercial insurance program. That shows us that a lot of members in

our housing co-ops reduced their risk of claims by answering a few simple questions and making their units (and their co-ops) safer for themselves and their community. Let's keep up those numbers!

## What's new for 2019

We will be sending out another checklist in January of 2019 with different risks to look for in your units. Slips and falls are a very common, and expensive, source of insurance claims and many can be prevented. The same is true for water claims involving plumbing, washers and dryers. You'll see questions on the new checklist designed to look for, and prevent, these common risks.

So watch your email in January for the next risk management program package coming your way!

**NEW**

## Complete the Risk Management Checklist (added benefits!)

Every year, your co-op works with your Co-operators representative at renewal time to complete a Risk Management Qualifier. Co-ops that achieve Gold status will see an additional credit applied to their insurance premium for the 2020 policy year. Participating in our risk management program and returning your completed checklists will go a long way toward that Gold status and saving your co-op money!

## Why are we doing this?

- To make sure your co-op's members are safe! Our Risk Management program is based on our past claims history. Checking for common risks could help prevent fires, accidents, severe injuries, or massive property damage.
- To prevent risks, which helps lower insurance premiums for everyone in the program. With fewer claims, everyone in the program saves money.
- To save money for your own co-op! Your insurance premiums are based on your individual co-op's loss ratio so if you reduce the number of claims, you could get a credit on your final invoice.
- If you don't find and fix the risks in your units, it could impact your insurance coverage.

## Who to call for help

### Deniz Bilgen, our Co-ordinator Insurance and Risk Management

Deniz believes that members of housing co-ops play an important role in making sure premiums are reduced and co-ops are safer places to live. He's here to work with you, answer your questions, and help you with a plan.

You can reach Deniz at 1-800-465-2752, ext. 229 or by email at [dbilgen@chfcanada.coop](mailto:dbilgen@chfcanada.coop) if you have any questions once you've received your material. Or if you need any help with your renewal, just give Deniz a call.

The Co-operators and CHF Canada have the expertise to help you every step of the way. We are committed to making our co-ops safer and helping keep your insurance affordable. **CHF Canada and The Co-operators—working together to make sure you're covered!**



## Help to cut costs—increase your deductible

One of the ways your co-op can offset the cost of higher premiums is to raise your deductible. Here's the deductible savings chart showing the percentage saved on raising to a higher deductible.

Region	Raise your deductible to	Save on your property rate
All regions	\$2,500	10%
	\$5,000	15%

### Loss prevention and annual reviews

#### Loss prevention

When a Loss Control Inspector makes recommendations for loss prevention, please be sure to respond promptly to your Co-operators representative, to let them know what action has been taken or when you plan to implement the improvements.

Please reply and respond to The Co-operators' recommendations—otherwise, your coverage or premium could be affected.

### The Co-operators and you

The Co-operators representatives are committed to providing quality service to CHF Canada members by arranging a yearly visit with the co-ops in the program—they will talk about loss prevention, and work through the Qualifying tool that is used to determine whether co-ops will qualify for the Gold level tier and receive a further discount on their premium. This year it's even more important to schedule this visit—those co-ops that do not contact The Co-operators or book this visit will be placed in the Bronze level tier and could receive a small surcharge on their premium. If your Co-operators representative is trying to contact you, please call them back and schedule the visit! It just might save you some money.

### Policy renewal documents and 2019 invoice

The Co-operators will distribute the 2019 renewal documents and invoices directly to the co-ops starting **November 28, 2018.**