

**Subject:** Proposed Changes to Volunteer Firefighter Insurance

**Recommendation:**

**BE IT RESOLVED THAT Council receive Report #2022-0126 – Proposed Changes to Volunteer Firefighter Insurance, for information;**

**AND THAT Council approve the On Duty Proposal 2 coverage and the Optional Member Only Insurance benefits provided by VFIS;**

**AND THAT Council suspend the volunteer firefighter reserve fund program approved through by-law 4313(2021), including minimum transfers to the reserve fund and expenditures from the reserve fund;**

**AND THAT Council approve a budget transfer of \$10,379 from Fire Department reserve transfers to Fire Department insurance.**

**Background:**

Council will recall that a reserve fund was established in 2021 for the purpose of providing life insurance to the Volunteer Firefighters. The Town currently allocates \$12,500 to this fund annually and in the event of a death while on active duty, the Town will pay \$25,000 to the deceased volunteer's beneficiary. The Town was previously paying Great West Life the same amount in premiums for similar coverage prior to making the decision to self-insure. The Town has been approached by VFIS with a proposal to insure the volunteer firefighters that will provide significant enhancements to the overall benefit coverage at a cost that is quite reasonable.

**Analysis:**

VFIS is Canada's largest provider of insurance, education, and consulting services to Emergency Service Organizations. They provide benefits to 90% of all municipal volunteer firefighters in Ontario and over 2,100 fire departments across Canada.

The coverage they provide is far superior to the Town's current arrangement and will cost less than the \$12,500 currently being allocated to the reserve fund.

VFIS provided the Town with two proposals, both of which can be found in Appendix A, along with the full summary of benefits. To highlight some of the significant enhancements, accidental death coverage will increase from \$25,000 to \$100,000 and benefits including dependent child education and spousal support are offered to family members. The proposals also provide lump sum living benefits for dismemberment, paralysis, vision and other physical impairments, cosmetic disfigurement, and contracting HIV.

Other benefits include coverage up to \$20,000 in occupational retraining costs and provide bereavement and trauma counselling to the volunteers' families. VFIS will also top-up Worker's Compensation payments through the WSIB to protect Volunteer Fire fighters from any out-of-pocket income loss that may be suffered as the result of injury. VFIS customers are also given access to risk-management and skill enhancement educational material including books, CD-ROMs, posters, PowerPoint presentations and videos which the fire department can utilize for training purposes.

Town staff are also recommending the Optional Member Only off duty benefits to protect firefighters when they are not participating in their normal firefighter duties. This is in line with the coverage provided to Town staff and Elected Officials who do not need to be injured or killed on the job in order to receive life insurance benefits.

### **Financial Considerations:**

This switch to a third party insurance provider to cover accidents and sickness experienced while on active duty will cost the Town \$3,190 annually, including taxes. The additional off duty coverage is an additional \$79 per firefighter, bringing the total annual premium amount to \$10,379, including taxes. This will result in a savings of \$2,121 per year. This will be a positive budget variance, with more than sufficient funds available should the roster size increase slightly.

The 2022 premiums can be funded through a budget transfer, reducing the transfer to the volunteer firefighter reserve fund by \$10,379 and increasing the Fire Department insurance budget by \$10,379. The volunteer firefighter reserve fund had a balance of \$25,000 as at December 31, 2021. The self-insurance program can be suspended and at a future date, the balance in the reserve fund could be transferred to another reserve, should Council so choose.

**Alternatives Reviewed:**

The Town could continue contributing to the firefighter reserve fund and keep the existing range of benefits as they are. This option is not preferred as Town Administration recognizes the importance of providing a full range of benefits to the volunteers in the same manner as is provided to Town staff and Elected Officials.

**Strategic Plan Relationship: Strong Organization**

Transitioning to VFIS to insure the Town's Volunteer Fire Department will result in a significant increase to the existing range of benefits while also transferring the liability to a third party. Town Administration sees great value in providing these additional benefits to those who risk their lives and protect their community. A solid life insurance policy is a key factor in overall financial health and will provide the volunteers with peace of mind knowing their families are protected in the event of an unfortunate unforeseen circumstance. It will also help recruit and retain volunteer firefighters moving forward.

**Consultation:**

Fire Chief

Director Corporate Services and Treasurer

Manager Financial Services and Deputy Treasurer

**Other Pertinent Reports/Attachments:**

Appendix "A" – VFIS Accident and Sickness Benefit Proposal

**Prepared and Submitted by:**

Brianna Langohr, CHRL  
Human Resources/Health and Safety Coordinator

David Cribbs, BA, MA, JD, MPA  
Chief Administrative Officer