



Henry Ford - *"Coming together is the beginning. Keeping together is progress. Working together is success"*





**There are more than 198 private P&C insurers actively competing in Canada to sell insurance policies on homes, cars and businesses.**

**Top 20 private P&C insurers by direct written premiums 2017**

1. Intact Group 15.46%
2. Aviva Group 9.67%
3. Desjardins Group 8.16%
4. Co-operators Group 5.63%
5. Lloyds Underwriters 5.57%
6. T.D. Insurance Group 5.50%
7. Wawanesa Mutual Insurance 5.43%
8. RSA Group 5.27%
9. Economical Group 4.20%
10. Travelers Group 2.87%
11. Northbridge Group 2.80%
12. Allstate Group 2.71%
13. AIG Insurance Company of Canada 2.23%
14. Chubb Group 1.80%
15. Capitale Group 1.77%
16. CAA Group 1.32%
17. Genworth Financial Mortgage Insurance 1.22%
18. Zurich Insurance 1.07%
19. Green Shields 0.97%
20. Guarantee Company 0.94%

**Top 20  
represent  
84.59% of  
market share**



**Sources: IBC, MSA**

# Your Property Insurance Policy includes Fire Department Service Charges!

## (ix) Fire Department Service Charges

Key language in this contract:

**“25,000.00 dollar limit...  
liability of the Insured  
assumed by contract or  
agreement prior to the loss”**

to loss

# Your Property Insurance Policy includes Fire Department Service Charges!

## 5. Fire Department Charges

The Company agrees to indemnify the insured up to \$1000. for charges for which the insured is legally responsible, if the

Key language in this contract:

**“\$1,000.00 limit...for charges for which the insured is legally responsible”**

# What is Indemnification Technology ®?



# Legal Definition

1,478,801. 2010/04/28. Fire Marque Inc., c/o 15th Floor, Bankers Court, 850-2nd Street SW, Calgary, ALBERTA T2P 0R8

Representative  
FRASER MILNE  
1420, OTTAWA,

INDEMN

SERVICES: Fire and property insurance billing opportunities with respect to insurance companies as early as March 2010.

SERVICES: Protection d'incendie, collecte de police d'assurance

facturation pour le compte des services d'incendie par la facturation aux sociétés d'assurances des coûts de surveillance des services d'incendie en ce qui a trait aux risques couverts. Employée au CANADA depuis au moins aussi tôt que le 22 mars 2010 en liaison avec les services.

Fire department incident reporting, data collection and property insurance policy wording interpretation

to maximize billing opportunities on behalf of fire departments by invoicing insurance companies

for costs of fire department attendance with respect to insured perils.



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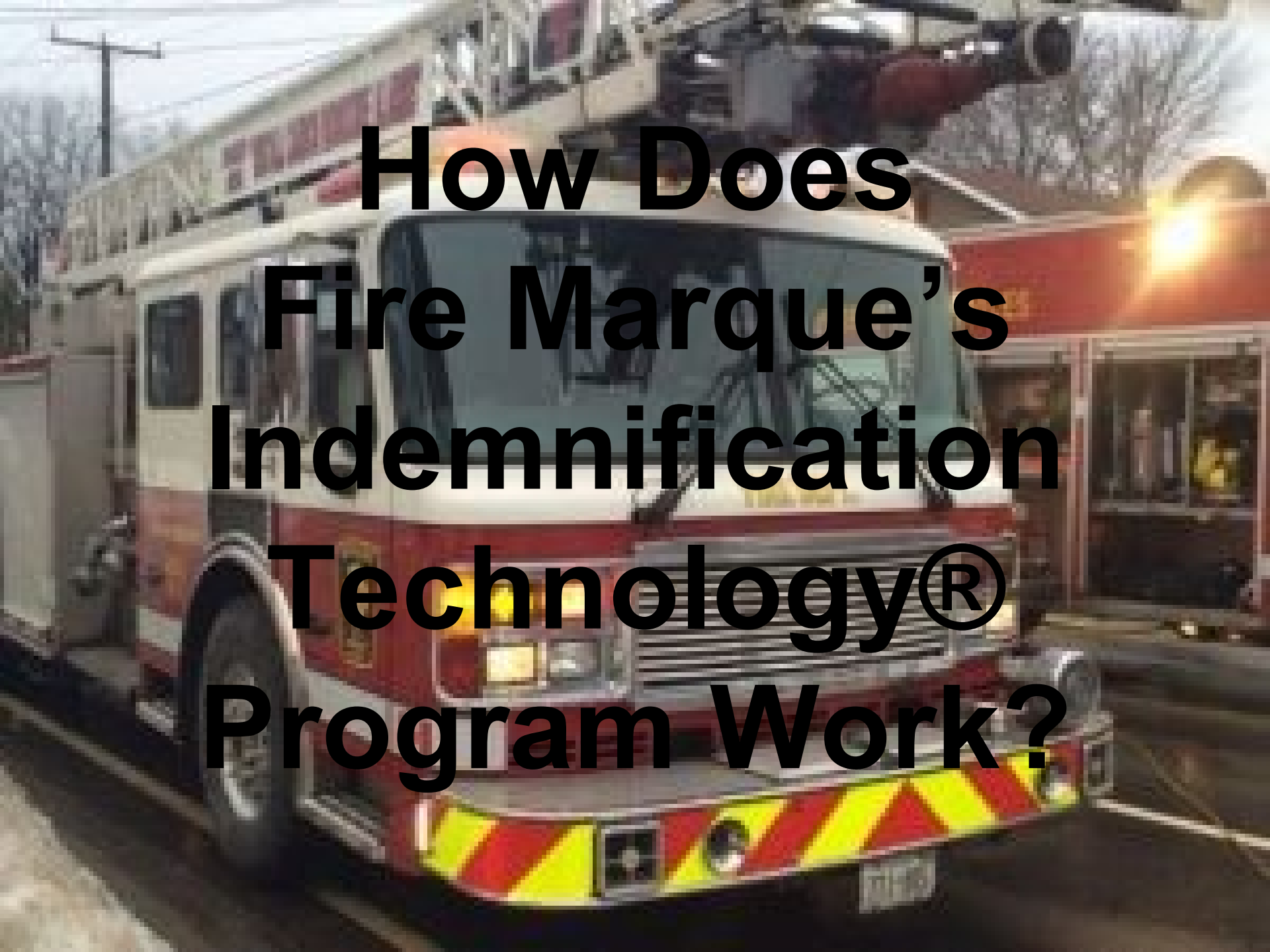
Número de dossier  
File Number 1478801

Registraire des marques de commerce  
Registrar of Trade-marks  
(CIPQ 198)11-10

Date d'enregistrement  
Registration Date 7 mars/Mar 2011

Canada



A red and white fire truck is parked in front of a building. The truck has a red and white striped bumper and a red and white striped body. The building in the background has a red roof and a large window. The text "How Does Fire Marque's Indemnification Technology® Program Work?" is overlaid on the image in a large, bold, black font.

# **How Does Fire Marque's Indemnification Technology® Program Work?**



# New Stand Alone By-law to Authorize Cost Recovery Specific to Fire Department Response

**THE CORPORATION OF THE  
BY-LAW No.**

**BEING A BY-LAW TO AUTHORIZE  
COST RECOVERY (FEES) WITH RESPECT TO FIRE DEPARTMENT SPECIFIC  
RESPONSE**

**WHEREAS** pursuant to section 8 of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended from time to time (the “Municipal Act”), the powers of a municipality are to be interpreted broadly so as to confer broad authority on the municipality to enable the municipality to govern its affairs as it considered appropriate and to enhance the municipality’s ability to respond to municipal issues;

**AND WHEREAS** pursuant to section 391 of the Municipal Act, a municipality may impose fees or charges on persons for services or activities provided or done by or on behalf of it;

**AND WHEREAS** pursuant to section 398 of the Municipal Act, fees and charges imposed by a municipality on a person constitute a debt of the person to the municipality;

**AND WHEREAS** Council of the \_\_\_\_\_ deems it expedient to pass a by-law to impose fees on persons to recover the costs of fire department responses;

**NOW THEREFORE** the Council of the \_\_\_\_\_ hereby enacts as follows:

# Why is a by-law required?

## Because Insurance Policy Wordings Require It!

Allstate – Elite Homeowner Wordings

**Are the Municipalities' By-Laws enforceable?**

**Yes.** The Insurance Bureau of Canada's (IBC), Director of Media and Digital Communications, Steve Kee forwarded the following response from the IBC's Consumer Information Centre staff to Eric Lai at Wheels.ca ***"I can tell you from experience that these By-Laws are enforceable. I tried the argument that fire departments operating expenses are paid for by my taxes but to no avail. If there is a claim covered by an insured peril, then the Fire Department charges are covered up to a specific limit."***

# The Process for the New Cost Recovery Program

1.

## Fire Dept.

- Sends already completed Standard Incident Reports (SIR)

2.

## Fire Marque

- Reviews
- Indemnity
- Stats
- Subrogation
- Trust Acct.

3.

## Fire Department

- Allocates funds

# 2021 New Fire Cost Recovery





# How did you arrive at the cost recovery projection?

The average recovery (residential, farm, commercial) per thousand population occurring annually

X

The number of insured peril call outs (SIR's) per thousand population occurring annually

= COST  
RECOVERY  
PROJECTION

- “Rural areas” cost recovery is less
- “Built up” areas cost recovery is more
- Disasters (e.g. tornados) average recovery per population much higher

# Revenues Stay Within the Fire Budget in 3 Areas!

## Public Education!



# Revenues Stay Within the Fire Budget in 3 Areas!

## Personnel Training!





# Revenues Stay Within the Fire Budget in 3 Areas!

## Capital Purchases!





# The Municipal Act and User Fees

**Section XII Sub-section 394 (1)** Restriction, fees and charges-No fee or charge by-law shall impose a fee or charge that is based on, is in respect of or is computed by reference to,

A) The income of a person, however it is earned or received, **except that a municipality or local board may exempt, in whole or in part, any class of person from all or part of a fee or charge on the basis of inability to pay;**

**Legislatures have reversed the way in which cities exercise their jurisdiction:**

Under the old scheme, any bylaw or resolution had to be expressly allowed by the governing statute.

With the **natural person powers**, councils are no longer restricted to the words of the statute, but **are allowed to do what logically flows** from the general powers granted by the Act (except where to do so would conflict with the express wording of the statute).

# Insurance Rates will not go up as a result of the Fire Marque Program

- ☑ **Property insurance underwrites the building and contents. Buildings Incident Rates have remained constant.**
- ☑ **What an insurance company considers for risk includes:**
  - Is there a Municipal Water Source (Fire Hydrant) nearby?
  - Is the Fire Department, Full-time, Composite or Volunteer (Part-time)?
  - Does the building have a sprinkler system?
  - What materials have been used in the building construction? – wood vs. brick
  - Is there an alarm system?
- ☑ **Consumers are spending more on home insurance--buying bigger policies to cover recent rapid rise of home values and have more possessions to insure.**
  - Basements, once used to store old clothes and hockey equipment now finished and filled with expensive electronic equipment.
  - Garages used to be for our cars, now hold “stuff”!



# Insurance Rates will not go up as a result of the Fire Marque Program

- ☑ **Lloyds of London Warns of More Pain after Rate Squeezes – March 30<sup>th</sup> 2017** “extremely challenging markets because of plunging insurance rates”... “The pressure on premium rates is extraordinarily tough.”
- ☑ **Cottage Country Now.ca** Town of Huntsville is considering a way to make insurance companies pick up part of the bill for fire response... **Coun. Tim Withey, who is an insurance broker, said homeowners’ insurance rates would not go up** because insurance companies incorporate such costs into their policies.
- ☑ **Insurance companies have been calculating premiums to include charges for Fire Department services even though they haven’t had to pay out on the coverage. Fire Marque recovers these funds.**
- ☑ **Property insurance is very different than auto insurance.**



# Will Property Owners be required to pay a Deductible?

No. Homeowner Property policies state that no deductible is applied to this coverage.





# If Property Owners pay taxes, which include Fire Department Services, why should the Fire Department charge fees?

The Indemnification Technology® program is not a typical fee. It is a cost recovery mechanism to comply with insurance policy language.

Just as property owners have paid taxes for fire services, they have also bought and paid for fire service expense coverage in their property insurance policies.

By requesting insurance companies pay those expenses, the insurance companies are being asked to honour the contractual agreement of the policy they issued.



# Why do we need Fire Marque to do it-- can't we just do it ourselves?

“Fire Marque Incorporated has the **knowledge, staff and infrastructure** to perform cost recovery from insurance companies through an agency agreement. They are former insurance professionals who are experienced in insurance policy wording interpretation, data collection, policy review with respect to insured perils, invoicing and recordkeeping.”

- **Town of Bradford West Gwillimbury Staff Report, October 2<sup>nd</sup> 2012**

“Council could consider submitting claims and collecting funds using City Staff. This alternative is also **NOT recommended** as the **City does not have the staff resources and expertise necessary for the submission of the claims and the follow-up required with various insurance companies.**”

- **City of North Bay Staff Report, July 18<sup>th</sup> 2013**



# Why do we need Fire Marque to do it-- can't we just do it ourselves?

Angus Tornado in Essa Township June 2014

103 separate property incidents/claims

41 different insurance companies, 103 insurance adjusters working on the various claims

Fire Marque's Technical Team received the files 11 months after the incident. Our Team took an additional 10 months to recover the Fire Department Expenses for Essa Township and 4 responding neighbouring Departments.

On June 14<sup>th</sup> 2014, disaster struck in our municipality in the form of an F2 tornado. With Fire Marque's Indemnification Technology® the expenses for the Fire Department's emergency services were recovered.

Based on our success, I have no hesitation in recommending the Fire Marque Program.

Sincerely,

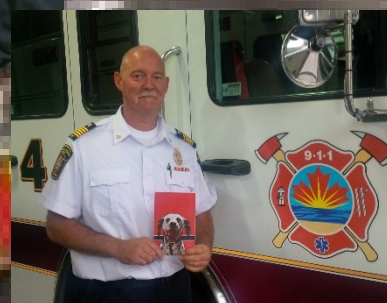
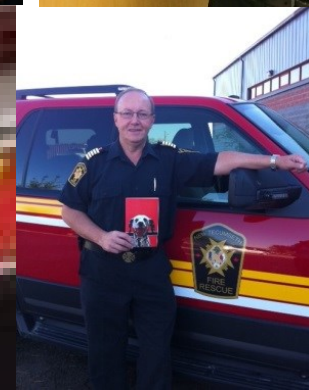
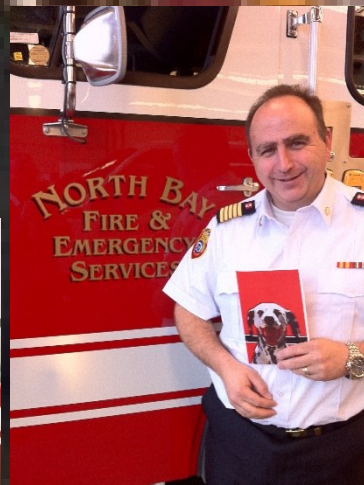
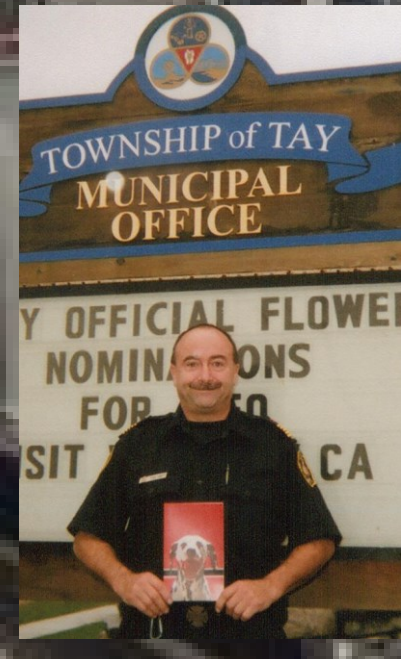
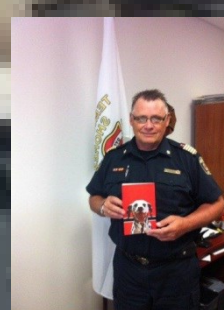
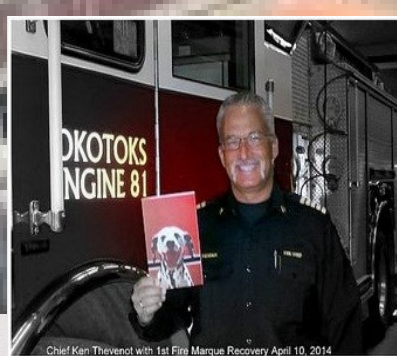


Terry Dowdall  
Mayor



# Why Fire Marque?

Experts in INDEMNIFICATION TECHNOLOGY®





**Questions,  
comments,  
concerns?**





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