



qathet

REGIONAL DISTRICT

SECTION 3	FINANCIAL POLICIES
POLICY	3.7
SUBJECT	ALLOCATION OF INSURANCE PREMIUM COSTS
ADOPTED	MARCH 28, 2002
AMENDED	OCTOBER 25, 2007

PURPOSE:

To establish a rational and consistent formula for allocating the Regional District's annual property and liability insurance premiums to Regional District services.

POLICY:

Annual insurance premiums will be allocated to Regional District services according to the following criteria.

Exempted Services

1. Services which have no property (including buildings, contents, and equipment) and which do not generate a liability risk to the Regional District shall be exempt from insurance charges.

These services currently include electoral area administration; grants-in-aid; feasibility service; and services that the Regional District does not directly operate, but provides operating grants to others, such as library, some community recreation.

Property Insurance

2. Services whose property insurance premium rate varies from the standard rate of the Regional District's property insurance policy shall pay the full costs of their individual property insurance premiums. (Texada Island Airport, Texada Island Marine Services, Savary Island Public Marine Transportation Service, Lasqueti Island Marine Ramp)
3. The total premium for the Regional District's standard property insurance policy shall be allocated to those services subject to insurance charges on a percentage basis, to be calculated as follows:

Declared property value for service
Total declared property value for all services
Total policy premium

DIVIDED BY
MULTIPLIED BY

Services covered by Clause 1 and 2 of this policy are excluded from this calculation.

Liability Insurance

4. Services that have liability insurance coverage separate from the Regional District's standard liability policy shall pay the full costs of their individual premiums. (Texada Is. Airport)
5. Fifty percent of the standard liability insurance premium shall be allocated to those services subject to liability insurance costs on a percentage basis, to be calculated as follows:

Current year budget for individual service
Total current year budget for all services
Liability premium x .5

DIVIDED BY
MULTIPLIED BY

Services covered by Clause 1 and 4 of this policy are excluded from this calculation.

6. Fifty percent of the standard liability insurance premium shall be allocated to the Service Groups according to the percentages listed in the table of "Service Group Rating Percentages" on the following page.

The total amount allocated to a Service Group will then be apportioned among the services within that group based on the percentage of the current annual budget for each service relative to the total annual budget for all services within that group.

7. For the purposes of this policy, the "annual budget" shall be the budget for minor capital and operating expenses, less allocations for reserves, debt or lease payments.

**qathet REGIONAL DISTRICT
INSURANCE PREMIUMS ALLOCATION POLICY**

SERVICE GROUP RATING PERCENTAGES

SERVICE GROUP	PERCENT
GEN. ADMINISTRATIVE SERVICES	18
<ul style="list-style-type: none"> ▪ General Administration ▪ Regional Planning ▪ Cemeteries 	
PARKS & RECREATION	30
<ul style="list-style-type: none"> ▪ Regional Parks ▪ Texada Island Recreation Commission ▪ Northside Recreation ▪ Savary Island Marine Facilities - Savary Island Dock ▪ Texada Island Marine Facilities - Van Anda Dock 	
EMERGENCY SERVICES	5
<ul style="list-style-type: none"> ▪ Emergency Planning – Areas C and D ▪ Emergency Telephone (911) ▪ Emergency Preparedness 	
UTILITIES	25
<ul style="list-style-type: none"> ▪ Waste Management ▪ Myrtle Pond Water ▪ Lund Sewer ▪ Septage Disposal 	
FIRE PROTECTION	18
<ul style="list-style-type: none"> ▪ Malaspina Fire Protection ▪ Lasqueti Is. Fire Protection ▪ Northside Fire Protection ▪ Savary Is. Fire Protection 	
MISCELLANEOUS	
<ul style="list-style-type: none"> ▪ Rural Paratransit ▪ Texada Is. Health Centre ▪ Lasqueti Island Marine Ramp 	1 2 1 <hr style="width: 100%;"/> 100

Ratings are based on MIA loss factors and Regional District assessment of risk based on service delivery knowledge.