

Insurance Policy

Policy

Nipissing First Nation will obtain sufficient insurance coverage for its operations, staff and council as part of its overall risk management strategy.

Purpose

The purpose of this policy is to provide guidance on the establishment and maintenance of an insurance program to ensure material risks are addressed for Nipissing First Nation and its council, officers, and staff.

Scope

This policy and procedure applies to Council, the Finance and Audit Committee, the Chief Executive Officer, the Chief Financial Officer, and all other employees involved in insurance matters at Nipissing First Nation.

Definitions

“*Risk*” in insurance terms is the possibility of a loss or other adverse event that has the potential to interfere with an organization’s ability to fulfill its mandate, and for which an insurance claim may be submitted.

Responsibilities

Council is responsible for:

- Procuring and maintaining in force all insurance coverage that is appropriate and commensurate with the risks under the care or control of Nipissing First Nation based on the recommendation of the Finance and Audit Committee;
- If Council chooses, procuring and maintaining insurance for the benefit of a councillor or a First Nation officer or their personal representatives against any liability arising from that person being or having been a councillor or an officer.

The Finance and Audit Committee is responsible for:

- Providing its insurance coverage recommendation to Council (The Finance and Audit Committee may retain external expertise to assist in its deliberations given the technical nature of insurance decisions).

The Chief Executive Officer is responsible for:

- Leading and managing the risk identification and assessment process;
- Selecting an insurance broker;
- Evaluating options from insurance providers, as provided by the insurance broker, to address the risks that require insurance coverage;

- Recommending a preferred option to the Finance and Audit Committee and council that meets the needs of Nipissing First Nation;
- Monitoring insurance coverage expiration and payment dates to ensure coverage does not lapse;
- On an annual basis reviewing insurance coverage to ensure that it continues to meet the needs of Nipissing First Nation.
- At minimum, every three (3) years, a procurement process will take place allowing qualified potential insurance companies that ensures Nipissing First Nation will obtain the best value of coverage.

Procedures

Identify significant material risks

The Chief Executive Officer, with input from members of the management team, the Finance and Audit Committee and Council, will develop a list of potential significant material risks to Nipissing First Nation’s financial assets, tangible capital assets and the operations of Nipissing First Nation. This will include an examination of:

- Potential sources of liability of Nipissing First Nation arising from its operations;
- Values and use of Property and equipment;
- Values and use of Assets under control of Nipissing First Nation;
- Potential sources of Liability for individuals such as councillors, officers and staff members of Nipissing First Nation;
- Other risk areas that could result in a loss to Nipissing First Nation and could be insured.

Identify and procure insurance products

Based on the risk analysis performed, the Chief Executive Officer will identify the risks where insurance coverage is appropriate.

In accordance with the Procurement Policy, the Chief Executive Officer will review options from several different insurance providers, as provided by Nipissing First Nation’s insurance broker, and will make a recommendation to the Finance and Audit Committee on which to accept. The Chief Executive Officer’s determination of a recommended option will take into consideration the following:

- Cost of the coverage;
- Attributes and features of the proposed coverage including what is and is not covered and any gaps or exclusions;
- Independent advice on the reputation and strength of proposed insurance providers.

Where appropriate, legal advice will be sought as required to ensure that the terms and conditions of coverage sought are appropriate for Nipissing First Nation.

Approval for insurance coverage

Council will review the proposed option presented by the Finance and Audit Committee and the Chief Executive Officer and document their approval.

Once approved by Council, procurement of the insurance coverage will follow Nipissing First Nation's Procurement and Expenditure Policies.

Maintenance of insurance coverage

The Chief Financial Officer will maintain a schedule of insurance policy expiration dates and payment dates and monitor on a regular basis to ensure that coverage does not lapse.

The Chief Executive Officer will review insurance coverage on an annual basis to ensure that it continues to adequately address the risks and meet the needs of Nipissing First Nation.

*Approved by C&C this 11th day of February, 2016,
Amended and approved by C&C this 18th day of December, 2018.*