

LOSS PREVENTION INCENTIVE PROGRAM



When you self-insure a good portion of your property and liability preventing losses is key to each community's financial investment in NORCIX and the health and wellbeing of the community. Whether it's a recreation complex, hamlet office, water treatment plant or public works garage a large loss can have a devastating effect on the community. Northern Communities Insurance Program and NORCIX are committed to reducing losses for all communities through a variety loss prevention activities. Two of those loss prevention activities include cash incentives.

INCENTIVES FOR INSPECTIONS

Property losses continue to be our greatest potential program killers and will no doubt remain as the single largest threat we have to our self-insurance pool. In 2010 NORCIX created and cash incentive program for communities who are part of the Northern Communities Insurance Exchange. Community members can receive cash for inspecting their buildings and dealing with the liability and property hazards that are identified through the inspection process.

Moving forward NORCIX is committing over \$1,000,000 in annual cash incentives to our members for the overall loss experience of the program and the inspection of your buildings. The amount of money each community can receive is dependent on the premium the community contributes annually to the pool. If your community contributes 5% of the total annual premiums then you will receive 5 % of the available inspection funds with a minimum annual inspection incentive of \$20,000.

To access the inspection funds communities are required to take part in three activities.

- 1) **25 %** will be paid when they take the loss prevention workshop, which is delivered in the community to as many staff and council members as possible. The workshop is designed to:
 - a. Create awareness and understanding of the property and liability risks communities face and where the claims are coming from. What you can do to reduce the frequency and cost of claims arising the liability and property risks you have;
 - b. Perform a walk through inspection of a community facility to gain a better understanding of what is required for an inspection and the hazards that exist on your property.
- 2) **25 %** will be paid to the community once inspections are completed on all major buildings. Inspection forms are to be submitted to the NCIP office for review.
- 3) **25%** will be paid to the community when the hazards, which were identified during the inspection, are dealt with by the community. In most cases the identified hazards are housekeeping issues and there will be little or no costs involved.

- Once the Mandatory Activities have been completed, Communities can use their credits for other loss prevention activities such as paying the costs for:



- Bringing in a Mechanic to inspect your vehicles and equipment
- Bringing in a Burner Mechanic to service your heating devices
- The legal costs to review and update your bylaws
- A legal review of your contracts
- Reviewing and establishing policies and procedures
- Training of fire department personnel
- Staff Training

The remaining **25 %** is provided as a discount to communities each year on the renewal invoice for the overall good claims history of the program.

If you have already taken the loss prevention workshop then the entire 75 % of the inspection incentive funds would be paid for doing inspections. For those few communities who have not been able to take the workshop you can still receive your funds for doing inspections.

INCENTIVES FOR BYLAWS

A good portion of liability claims we deal with come from the operational areas of the community, which in most cases can be eliminated or reduced by simply having proper bylaws, policies and procedures in place. We are currently working on an incentive program where NORCIX will offer cash incentives to those communities who adopt specific bylaws, policies or procedures. Communities can submit the specific bylaws to our office for a risk management and legal review. If the community adopts the recommended changes to the bylaw or already has the recommend wording within the bylaw NORCIX will issue a cheque for \$5,000 per bylaw.

To start, we will be looking for the following specific bylaws or policies and procedures;

- Public Works – Water and Sewer bylaw
- Public Works – Roads and Sidewalks bylaw
- Procurement bylaw
- Fire Services bylaw



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