



Effective Date: June 12, 2018

INSURANCE

Definitions

- The following definitions apply to this Policy:
 - Assets** - all tangible, non-tangible, and attractive material assets of Cowichan Tribes, including those belonging to any related body or entity of Cowichan Tribes;
 - Attractive Material Assets** - are physical assets that are not subject to capitalization but are at risk and vulnerable to loss (i.e., items that can be easily removed and sold such as art, small equipment, hand held devices, etc.);
 - Capital Project** - the construction, rehabilitation or replacement of Cowichan Tribes' tangible capital assets and any other major capital projects in which Cowichan Tribes or its related bodies or entities are investors;
 - Material Risks** - any risks significant or large enough to threaten the success of Cowichan Tribes, or any significant part of Cowichan Tribes, in a material way. Provides for a threshold or cut-off point after which the risk must be addressed;
 - Related Body** - an agency of Cowichan Tribes, corporation in which Cowichan Tribes has a material/controlling interest, partnership in which Cowichan Tribes or another related body is a partner with a material/controlling interest, or a trust;
 - Risk** - the possibility of a loss or other adverse event that has the potential to increase costs and/or negatively affect Cowichan Tribes, and achievement of its mandate;
- Please refer to Cowichan Tribes' "Definitions Guide for Policies and Procedures" for the definitions of other terms used in this Policy and the associated procedures.

Policy Directive:

Cowichan Tribes shall effectively procure and maintain the appropriate insurance coverage to address all material risks associated with any asset, property, resources, or operation owned by, or under the care or control of, Cowichan Tribes.

Related Cowichan Teaching

"Take care of your health"

Applicable Legislation and Standards

- Cowichan Tribes' insurance related practices must comply with applicable legislation, standards, and Cowichan Tribes' laws, policies and procedures, including:
 - The *First Nations Fiscal Management Act* (the Act);
 - Cowichan Tribes First Nation Financial Administration Law (the FAL); and
 - First Nations Financial Management Board (FNFMB) Standards.



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Reason for Policy

4. The objectives of this Policy include:
 - i) Providing guidance and a framework for the establishment and maintenance of an effective insurance program to ensure all material risks are addressed for Cowichan Tribes and its councillors and employees; and
 - ii) Ensuring Cowichan Tribes' practices respecting the procurement of insurance comply with all applicable requirements.

Consequences of Non-Compliance with Policy

5. Potential consequences of non-compliance with this Policy include:
 - i) Lack of clarity regarding insurance requirements and the related processes and responsibilities;
 - ii) Inappropriate levels of insurance, exposing Cowichan Tribes to risk/liabilities; and
 - iii) Contravention of applicable legislation, standards, or Cowichan Tribes' laws, policies and procedures.

Policy Application

6. This Policy applies to or affects Cowichan Tribes':
 - i) Chief and Council;
 - ii) Finance and Audit Committee;
 - iii) General Manager and Comptroller;
 - iv) Related bodies and entities; and
 - v) All other committees, officers, employees, contractors or other persons involved in insurance matters on behalf of Cowichan Tribes.

Policy Requirements

Risk Assessment and Mitigation

7. Cowichan Tribes must identify and assess any significant or material risks to Cowichan Tribes' assets and operations at least annually or sooner if necessary.
8. Cowichan Tribes shall mitigate material risks by procuring and maintaining in force all insurance coverage that is:
 - i) Appropriate and commensurate with the risks identified through its risk identification and assessment process, and any other risks associated with any assets, property or resources under its care or control; and
 - ii) Required by the FAL, another Cowichan Tribes' law, or by Cowichan Tribes' policies and procedures.



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Specific Insurance Requirements

9. In addition to any other insurance requirements determined through the assessment of material risks, Cowichan Tribes must purchase and maintain appropriate insurance with respect to:
 - i) Third party liability claims in case of, for example, accidents involving non-employees on Cowichan Tribes' property or business;
 - ii) Lawsuits arising from the business side of Cowichan Tribes (for example, over contractual issues, labour relations issues, copyright issues, etc.); and
 - iii) Course of construction insurance for capital projects, including the construction and rehabilitation of buildings and other improvements to land.
10. Cowichan Tribes must procure and maintain insurance for the benefit of a councillor, officer or an employee, or their personal representative, against any liability arising from that person being or having been a councillor, officer or an employee.

Records Management

11. Cowichan Tribes shall keep proper records regarding its risk assessments, and insurance procurement practices, and ensure that these records are maintained in compliance with applicable records management requirements.



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Procedures: Insurance

Roles and Responsibilities

12. The responsibilities of Council include:
 - i) Ensuring that the appropriate insurance coverage is procured and maintained to protect Cowichan Tribes from all material risks associated with any asset, property, resources, or operation under the care or control of Cowichan Tribes, including third party liability risks; and
 - ii) If appropriate, procuring and maintaining insurance for the benefit of a councillor, officer, or an employee or their personal representatives against any liability arising from that person being, or having been acting, in that capacity.
13. The responsibilities of the Finance and Audit Committee include reviewing, monitoring and reporting to Council on the adequacy and appropriateness of Cowichan Tribes' insurance coverage for significant Cowichan Tribes' risks.
14. The responsibilities of the General Manager include leading and managing the identification, assessment and mitigation of material risks to Cowichan Tribes' assets, property, resources, or operations, and to its councillors, officers or employees, including third party liability claims.
15. The responsibilities of the Comptroller include:
 - i) Assisting the General Manager in leading and managing the identification, assessment and mitigation of material risks to Cowichan Tribes;
 - ii) Selecting an insurance broker;
 - iii) Evaluating options from insurance providers, as presented by the insurance broker, to address the risks that require insurance coverage;
 - iv) Purchasing and maintaining an appropriate level of insurance; and
 - v) Monitoring and reviewing insurance coverage to ensure it does not lapse and that it is sufficient and continues to meet the needs of Cowichan Tribes.

Identifying, Assessing and Mitigating Material Risks

16. Annually, and more often if necessary, the General Manager must:
 - i) Identify and assess any significant or material risks to Cowichan Tribes' financial assets, tangible capital assets, attractive material assets, and operations, for which insurance coverage may be available, in accordance with Cowichan Tribes' Risk Management Policy and Procedures; and
 - ii) Report to the Finance and Audit Committee on proposed plans to mitigate any identified and assessed material risks or, where appropriate, to manage or transfer those risks by agreement with others or by purchasing insurance.



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17. The identification and assessment of material risks to Cowichan Tribes shall include an examination of the following factors:
 - i) Potential sources of liability arising from Cowichan Tribes' operations;
 - ii) Values and use of property and equipment, and values and use of assets under the control of Cowichan Tribes;
 - iii) Potential sources of liability for individuals such as councillors, officers, and employees of Cowichan Tribes; and
 - iv) Other material risks that could result in a loss to Cowichan Tribes for which insurance is available.
18. Based on the risk analysis performed, the General Manager shall identify the risks where insurance coverage is appropriate.

Procuring Insurance

19. Based on Cowichan Tribes' insurance needs and the appropriate authorizations, the Comptroller shall invite and review proposals from various insurance providers and shall take various factors into consideration when reviewing the proposals, including the:
 - i) Cost of the coverage;
 - ii) Attributes, features, and suitability of the proposed coverage including what is and is not covered and any gaps or exclusions; and
 - iii) The reputation, credibility and strength of proposed insurance providers.
20. Where appropriate, legal advice shall be obtained as required to ensure the terms and conditions of the proposed insurance coverage are appropriate for Cowichan Tribes.

Insurance Renewal, Maintenance and Adequacy

21. The Comptroller shall:
 - i) Maintain a schedule of insurance policy expiration dates and payment dates and monitor on a regular basis to ensure that coverage does not lapse;
 - ii) Review insurance coverage on an annual basis to ensure that it continues to adequately address the risks and meet the needs of Cowichan Tribes;
 - iii) Ensure that the value of assets covered under the insurance policies are revised to include all assets that may have been purchased or disposed of during the year, and to include any changes in the value of existing assets;
 - iv) Ensure that the value of liabilities covered under the insurance policies is updated to reflect current requirements; and
 - v) Review claims histories to identify areas where preventative measures would be effective in reducing losses and lowering insurance premiums.



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Records Management

22. Cowichan Tribes shall keep proper records and documentation respecting the need for and procurement of insurance, and ensure that these records and documents are maintained in a secure and confidential manner, as per Cowichan Tribes' Financial Records Management Policy and Procedures, including records regarding:
- i) Identified material risks that may be mitigated through insurance;
 - ii) Options developed and considered respecting the insurance requirements, brokers and suppliers for Cowichan Tribes; and
 - iii) The approval for, and procurement of, insurance by Cowichan Tribes.

Related Cowichan Tribes' Policies

- Capital Asset Management Policy and Procedures;
- Expenditure Management Policy and Procedures;
- Financial Records Management Policy and Procedures;
- Procurement Policy and Procedures;
- Risk Management Policy and Procedures;