

MUNICIPAL GUIDE FOR PUBLIC RELATIONS

At RMA Insurance, we understand that these types of incidents are extremely difficult for our members to handle. On top of the normal duties of a municipality which will persist during a crisis event, a lot of municipalities' resources must be allocated towards crisis management.

It is understandable rate payers may want to approach the municipality for assistance; however, this may not be financially possible for all impacted ratepayers. For things such as property damage by firefighters to create a fireguard or firebreak these losses are commonly addressed by Alberta Wildfire or the ratepayer's personal insurance policy

In the past, we have also seen third parties sue municipalities for failing to protect their property and respond to a crisis. However, there are strong protections from the *Municipal Government Act* for municipalities who are acting in good faith to respond to a crisis.

In handling a wildfire claim directly, we recommend the following:

1. If there is any doubt about handling a claim, please call the RMA Insurance Claims department.
2. If there is any suggestion that someone was injured, the claim should be referred to us at RMA Insurance.
3. If multiple properties are affected by the same event, get us at RMA Insurance involved due to potential class action litigation.
4. If a payment is made to settle a claim, the claimant must be asked to sign a final release. We have included a final release sample that you may use.

Note:

- ◆ Municipalities that settle a claim outside of insurance will not be able to recover settlement amounts through the coverage held with us.
 - ◆ Only the property owner can sign a final release. Renters must sign a separate release for their contents.
5. If litigation commenced (either via a letter from a lawyer, a Statement of Claim, or Notice of Civil Claim being filed), the claim should then be referred to us at RMA Insurance.

MGA Defenses

The *Municipal Government Act* (MGA) provides incredible protection for municipalities and protects them from harmful and costly litigation. Sections 527.2, 529, and 535.2(1) of the MGA may assist in shielding potential liability for wildfire claims against a municipality.

The denial of a claim is based upon, but not limited to, the wordings of the following sections of the *Municipal Government Act*:

Acting in accordance with statutory authority

527.2 Subject to this and any other enactment, a municipality is not liable for damage caused by anything done or not done by the municipality in accordance with the authority of this or any other enactment unless the cause of action is negligence or any other tort.

Exercise of discretion

529 A municipality that has the discretion to do something is not liable for deciding not to do that thing in good faith or for not doing that thing

Protection of fire service organizations

535.2(1)

(2) Fire service organizations, members of a regional services commission and firefighters are not liable for loss or damage caused by anything done or omitted to be done in good faith in the performance or intended performance of their functions, duties, or powers in providing or carrying out fire services.

Most wildfire claims from third parties are denied. While each case is unique and must be decided on its own merits based on the facts at hand, we include a sample letter that you may use to respond to a wildfire claim when a denial is appropriate. The letter might require subtle changes to accurately reflect the facts that apply in each case.

When to Report a Claim

If you have any doubt about whether to report a claim, please give us a call. Also, if you need assistance with handling the claim or drafting the final release, feel free to contact our Claims department.

We at RMA Insurance remain committed to assisting our members with claims. If your preference is to send all claims to us, we are happy to handle these for you. However, if you prefer to manage these claims on your own, we have prepared this guide to assist you.

Steps to Take During or After a Loss

Have a plan in place to coordinate ratepayers' large garbage collection, along with properly disposing of damaged refrigerators or freezers.

Instruct the ratepayers to properly mark their refrigerators or freezers with their municipal address. As a municipality, you may be able to recover the disposal cost from your insurance company. The Insurance Bureau of Canada (IBC) may be able to facilitate this task as it did with the 2016 Fort McMurray Wildfire.

Other helpful steps:

- ◆ Call 1.844.2ask.IBC (1.844.227.5422) or email AskIBCVest@ibc.ca
- ◆ Barricade off all disaster related municipal-owned land to prevent ratepayers from entering them, eliminating or reducing risk of injury to the public.
- ◆ Set up a communication portal to relay daily updates and information to your ratepayers.

- ◆ As soon as possible, focus on having essential services up and running prior to the return of your ratepayers from evacuation.
- ◆ Routinely patrol vacant structures and look for signs of trespassing. If a regular presence is seen in evacuated areas, it will discourage looters.
 - ◇ Always watch for updates on the wildfire status and ensure that staff and employees are not in danger while performing their duties; the safety of all personnel is a priority.

Tips for Communicating with Ratepayers When Responding to a Crisis Claim

1. Once you have received a report of damage to a third-party property or asset, immediately respond to the location (if safe to do so) to assess damage.
 - ◆ Always be calm and professional.
 - ◆ Never admit or deny fault or liability.
2. Document findings and provide guidance. Documentation is the key to successfully defending your municipality if it is sued.
 - ◆ Provide the ratepayer with the “Steps to Take After a Loss” resource.
 - ◆ Take photos and detailed notes.
 - ◆ Advise property owners to contact their own insurance company without delay.
3. Remember to be kind, but do not make any promises.
 - ◆ DO NOT discuss faults or liability.
 - ◆ It is okay to say, “I am sorry you have experienced this fire”, but do not tell the property owner that the municipality will pay for damages or take care of the cleanup.
4. In our experience Town Halls are not the best tool for delivering important information as there is likely a limited audience and the media may focus on negative comments from ratepayers. Other alternatives include Facebook or Twitter pages that can convey immediate messaging to a larger audience giving the municipality more control over the narrative.

RMA Insurance staff are not able to speak directly to ratepayers, but if you have any questions, please contact an RMA Risk Advisor: risk@RMAinsurance.com.