Annual Report

2018-2019

PROGRESS. NOT PROFITS.

TABLE OF CONTENTS

REPORT OF THE CHAIR

On behalf of the Board of Directors and staff, it is my pleasure to share the Nova Scotia School Insurance Program's 2018-2019 Annual Report.

The Board of Directors successfully completed the following amongst its annual responsibilities:

Audited Financial Statements

- SIP's year-end received an unqualified opinion from its auditors, KPMG
- Despite an increase in underwriting premiums of $343,788 over 2018, there was no increase in Subscriber premiums due to the level of Rate Stabilization Reserves
- The value of total open claims was reduced by $441,032 from 2018

Actuarial Valuation

- SIP's year-end received an unqualified opinion from its actuary, PriceWaterhouse Coopers
- Claims liabilities were reduced by $512,087 from 2018

As well, the Board dealt conscientiously with a number of matters during the year, including the following:

DCAT Study

- SIP's actuary, PriceWaterhouse Coopers, performed a Dynamic Capital Adequacy Test to determine the appropriate level of SIP's Rate Stabilization Reserves to cover claims and protect policyholders and creditors
- Based on the study results, the new recommended Rate Stabilization Reserve has been reduced to $4 million from $5.2 million due to improvement in claims history – effective March 31, 2019
- At March 31, 2019, SIP's Rate Stabilization Reserves per audited financial statements were $4.8 million

CEO Search

- Appointment of Bruce Macdonald, as SIP's Chief Executive Officer effective August 1, 2019

Approved Policies

- Fraud Policy
- Purchasing Policy
- Staff Policies and Procedures

30th Anniversary of SIP

In the year 2018, SIP celebrated 30 years of successful service to our Subscribers. For a road map of SIP's history please refer to Appendix 2.

Sports and Activities

Any sport or activity that is approved, organized and supervised by a school principal (or their delegate) and follows the policies and procedures of Centres for Education, the Conseil scolaire acadian provincial and the Nova Scotia Community College, is insured through SIP.

Insurance Experience

Claims frequencies remain unchanged in 2018-2019. Weather conditions continue to cause property damage to our Subscribers, especially wind and rain. The good news is the cost of property claims is reduced this year by 50%. SIP will continue to work with our Subscribers to reduce risks resulting in less frequent and less severe claims.

Retirements and Changes

- Scott Norton, SIP's legal counsel for the last 30 years was appointed Justice of the Supreme Court of Nova Scotia in December of 2018. Athough we are very happy for Scott, his expertise and guidance will be greatly missed.
- We would like to thank Dave Jones of the Annapolis Valley Regional Centre for Education for his service on the SIP Board of Directors from April-October of 2018.
- In February of 2019, we welcomed Pat Murphy of the Annapolis Valley Regional Centre for Education to the SIP Board of Directors.
- Brian Smith of the South Shore Regional Centre for Education has served on the SIP Board of Directors from April of 2018 – August 2019. We would like to thank Brian for his contribution to our Board and wish him all the best in his retirement.

In closing, we thank our Subscribers for their continuous support of this program and our staff for their unwavering dedication in supporting all of our Subscribers.

I would also like to acknowledge the dedication, support, leadership and commitment of all SIP Directors, past and present, for keeping Nova Scotia students at the centre of all our decisions.

It is a privilege to serve as your Chair as we continue to work diligently to provide quality, education-specific insurance products, claims management, risk management and loss control services to the Centres for Education, Conseil scolaire acadien provincial and Nova Scotia Community College all the while striving to stabilize premiums and mitigate the highs and lows of the insurance marketplace.

Respectfully submitted,

Janine Saulnier, B.Sc, MBA
Chair, SIP Board of Directors

Mission Statement

SIP is a non-profit insurance exchange, committed to providing quality insurance services to the Nova Scotia Centres for Education, Conseil scolaire acadien provincial and the Nova Scotia Community College system.

Brief Description

The Nova Scotia School Insurance Exchange, known informally as the School Insurance Program or SIP, is owned by the Centres for Education of Nova Scotia, Conseil scolaire acadien provincial and the Nova Scotia Community College (NSCC). SIP is a reciprocal insurance exchange, which is licenced by the Superintendent of Insurance for the Province of Nova Scotia.

GOVERNANCE AND MANAGEMENT

A nine-member Board of Directors, appointed every four years by each of the Subscribers, is responsible for the GOVERNANCE of the School Insurance Program.

SIP's Board of Directors for the 2018-2019 year is:

L-R: Trevor Cunningham; Chris Grover; William Strubank; Pat Murphy; Janine Saulnier; Terri Thompson; Brian Smith; Herb Steeves (Absent: Paul Oldford)

Subscriber	Appointee	Board	Position
Annapolis Valley Regional Centre for Education	Pat Murphy, B.Ed, M. Ed	Director	Director of Programs & Services
Cape Breton-Victoria Regional Centre for Education	Paul Oldford, P. Eng	Director	Director of Operational Services
Chignecto-Central Regional Centre for Education	Herb Steeves, B.Sc, P. Eng, MBA	Director	Director of Operational Services
Conseil scolaire acadien provincial	Janine Saulnier, B.Sc, MBA	Chair	Director of Finance & Board Treasurer
Halifax Regional Centre for Education	Terri Thompson, CPA,CGA	Director	Director of Financial Services
Nova Scotia Community College	William Strubank, B.Sc	Vice Chair	Manager, Occupational Health Safety and Environmental Services
South Shore Regional Centre for Education	Brian Smith, BPE, PDAD	Director	Director of Operations
Strait Regional Centre for Eduction	Chris Grover CPA, CGA	Director	Director of Finance
Tri-County Regional Centre for Education	Trevor Cunningham B.Sc, B. Ed, M.Ed, MBA	Director	Director of Programs & Student Services

SIP STAFF

SIP staff is comprised of a seven-member team and is responsible for the management and day-to-day operations of SIP:

Left-Right: Meagan Spicer, Rebekah Tingley, Dawn Graves, Lee-Anne Dauphinee, Cindy Norrad and Valencia Forrest

Name	Position
Bruce Macdonald, BBA, CAIB, CIP (Effective August 1, 2019)	Chief Executive Officer
Lee-Anne Dauphinee, CIP,CRM	Risk Manager
Cindy Norrad, B. Comm., CPA, CGA, CRM	Controller
Rebekah Tingley	Risk Management Assistant
Meagan Spicer	Claims Assistant
Valencia Forrest	Claims Assistant
Dawn Graves	Executive Assistant

APPENDIX 1

FINANCIAL STATEMENTS 2018-2019

Combined Financial Statements of

NOVA SCOTIA SCHOOL INSURANCE PROGRAM

Year ended March 31, 2019

KPMG LLP
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Canada

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INDEPENDENT AUDITORS' REPORT

To the Subscribers of Nova Scotia School Insurance Exchange

Opinion

We have audited the combined financial statements of Nova Scotia School Insurance Exchange (the "Entity"), which comprise:

- The combined statement of financial position as at March 31, 2019
- the combined statement of income for the year then ended
- the combined statement of comprehensive income for the year then ended
- the combined statement of changes in reserves for the year then ended
- the combined statement of cash flows for the year then ended
- and notes to the combined financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the combined financial position of the Entity as at March 31, 2019, and its combined financial performance and its combined cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors' report thereon, included in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

The information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "Annual Report" is expected to be made available to us after the date of this auditors' report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

KPMG

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Halifax, Canada

May 31, 2019

NOVA SCOTIA SCHOOL INSURANCE PROGRAM

Combined Statement of Financial Position

As at March 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 2,642,089	$ 4,105,981
Deposits with other financial institutions	432,366	176,230
Investments (note 4)	8,362,312	9,174,523
Loans and receivables	31,564	990
Other assets	47,358	112,928
Property and equipment (note 5)	14,322	11,467
Total assets	$ 11,530,011	$13,582,119
Liabilities		
Accounts payable and accrued liabilities	$ 267,988	$ 200,308
Premiums received in advance	2,570,643	4,114,932
Claims liabilities (note 7)	3,531,951	4,044,038
Total liabilities	6,370,582	8,359,278
Subscribers' reserves:		
Rate stabilization reserves (note 10)	4,755,575	5,025,913
Accumulated other comprehensive income	403,854	196,928
	5,159,429	5,222,841
Commitments (note 11)		
Total liabilities and reserves	$ 11,530,011	$13,582,119

See accompanying notes to combined financial statements.

On behalf of the Board of Directors:

_______________ Director

_______________ Director

NOVA SCOTIA SCHOOL INSURANCE PROGRAM

Combined Statement of Income

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Insurance activity		
Written Premiums		
Gross premiums	$ 4,309,039	$ 4,308,414
Underwriting premiums	(2,653,088)	(2,309,300)
Net premiums earned	1,655,951	1,999,114
Claims paid	1,696,700	1,076,353
Claims liabilities (note 7)	(569,948)	(27,045)
Net claims	1,126,752	1,049,308
Premiums in excess of claims	529,199	949,806
Investment activity		
Investment income (note 4(b))	297,722	628,911
Investment management fees	(41,346)	(42,043)
Net investment income	256,376	586,868
Other expenses		
Insurance operating expenses	9,658	15,358
Operating expenses (note 13)	1,046,255	1,117,966
Total other expenses	1,055,913	1,133,324
Net (loss) income	$ (270,338)	$ 403,350

See accompanying notes to combined financial statements.

NOVA SCOTIA SCHOOL INSURANCE PROGRAM

Combined Statement of Comprehensive Income

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Net (loss) income	$ (270,338)	$ 403,350
Other comprehensive income (loss)		
Available-for-sale financial assets:		
Unrealized gain (loss) on available-for-sale financial assets	234,080	(116,369)
Reclassification adjustments:		
Realized gain on disposal of available-for-sale financial assets	(29,049)	(340,607)
Amortization of premiums and discounts recognized under the effective interest rate method	1,895	1,233
Total other comprehensive income (loss)	206,926	(455,743)
Comprehensive loss	$ (63,412)	$ (52,393)

See accompanying notes to combined financial statements.

NOVA SCOTIA SCHOOL INSURANCE PROGRAM

Combined Statement of Changes in Reserves

Year ended March 31, 2019, with comparative information for 2018

	Rate Stabilization Reserves	Accumulated Other Comprehensive Income	Total
Balance, March 31, 2017	$4,622,563	$652,671	$5,275,234
Net income	403,350		403,350
Other comprehensive loss		(455,743)	(455,743)
Balance, March 31, 2018	$5,025,913	$196,928	$5,222,841
Net loss	(270,338)		(270,338)
Other comprehensive income		206,926	206,926
Balance, March 31, 2019	$4,755,575	$403,854	$5,159,429

See accompanying notes to combined financial statements.

NOVA SCOTIA SCHOOL INSURANCE PROGRAM

Combined Statement of Cash Flows

Year ended March 31, 2019 with comparative information for 2018

	2019	2018
Cash provided by (used in)		
Operations:		
Net (loss) income	$ (270,338)	$ 403,350
Items not involving cash:		
Depreciation of property and equipment	8,805	12,469
Gain on sale of property and equipment	(675)	(366)
Investment income	(297,722)	(628,911)
IBNR reserve change	(71,055)	(119,295)
Reserve adjustments	(441,032)	45,847
Change in non-cash working capital items (note 15)	102,675	211,470
Proceeds from interest income	60,716	98,527
Proceeds from dividend income	221,184	193,087
Premiums received in advance	(1,544,289)	997,340
	(2,231,731)	1,213,518
Investments:		
Bonds purchased	(1,268,330)	(2,023,505)
Equities purchased	(241,009)	(1,169,880)
Proceeds from sale of bonds	2,103,392	1,674,512
Proceeds from sale of equities	440,906	1,250,717
Proceeds from sale of property and equipment	675	529
Additions to property and equipment	(11,659)	(6,726)
	1,023,975	(274,353)
(Decrease) increase in cash flow for year	(1,207,756)	939,165
Cash and other cash deposits, beginning of year	4,282,211	3,343,046
Cash and other cash deposits, end of year	$ 3,074,455	$ 4,282,211

	2019	2018
Cash and other cash deposits consist of the following balances:		
Cash and equivalents	$ 2,642,089	$ 4,105,981
Deposits with other financial institutions	432,366	176,230
	$ 3,074,455	$ 4,282,211

See accompanying notes to the financial statements

The Nova Scotia School Insurance Program ("SIP") is the combination of the Nova Scotia School Insurance Exchange (the "NSSIE") and its Attorney-in-Fact, the Nova Scotia School Insurance Program Association (the "NSSIPA"). SIP underwrites property and casualty insurance for the seven Nova Scotia regional Centres for Education, one provincial school board and the Nova Scotia Community College (the "Subscribers").

The NSSIE, established under a reciprocal insurance exchange agreement dated December 1, 2000, is licensed in the province of Nova Scotia by the Superintendent of Insurance ("NSSI") to provide property and liability insurance including educational errors and omissions in accordance with Part XII of the Insurance Act (Nova Scotia) R.S.N.S. 1989, c. 231, specifically Section 321.1.

SIP's registered office is located at Suite 150 – 11 Akerley Blvd, Dartmouth, Nova Scotia.

1. Basis of preparation:

(a) Statement of compliance:

These combined financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The combined financial statements were authorized for issue by the Board of Directors on May 31, 2019.

(b) Basis of combination

The combined financial statements reflect all the assets, liabilities, revenue, expenses and cash flows of the SIP, which includes 100% of NSSIE and NSSIPA. There are no other related or associated entities that have not been included that operate under the common name SIP. SIP is consolidated with the Nova Scotia Government Public Accounts.

The statements were prepared on a combined basis to reflect the underlying expenses incurred by the NSSIPA as Attorney-in-Fact on behalf of the NSSIE, which is funded by NSSIE contributions to NSSIPA. All inter-entity balances and transactions have been eliminated.

(c) Basis of measurement:

The combined financial statements have been prepared on the historical cost basis, except available-for-sale financial assets, which are measured at fair value, and the claims liabilities, which are measured on a discounted basis in accordance with accepted actuarial practice (which in the absence of an active market provides a reasonable proxy of fair value).

1. **Basis of preparation (continued):**

(d) Functional and presentation currency:

These combined financial statements are presented in Canadian dollars, which is SIP's functional and presentation currency.

(e) Combined statement of financial position:

SIP presents its combined statement of financial position in order of liquidity. Assets and liabilities that are expected to be recovered or settled in more than 12 months after the reporting date are summarized in notes 4 and 8.

2. **Significant accounting policies:**

(a) Premiums:

Premiums are earned over the term of the related policy period. As SIP's policy year ends March 31, there are no unearned premiums at March 31. Premiums received in advance relate to premiums received in the current year for the policy period commencing April 1 of the following year.

(b) Financial assets and liabilities:

(i) Financial assets:

SIP accounts for all financial assets using trade date accounting. Transaction costs related to the purchase of financial instruments are recorded as part of the carrying value.

Cash comprises cash on account and demand deposits. Cash equivalents are short term highly liquid investments with an original maturity of less than three months that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

All investments are designated as available-for-sale ("AFS") securities. AFS securities are carried at fair value whereby the unrealized gains and losses are included in accumulated other comprehensive income ("AOCI") until sale or an impairment loss is recognized, at which point cumulative unrealized gains or losses are included in investment income. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Loans and receivables, and other financial liabilities (liabilities other than insurance policy liabilities) are accounted for at amortized cost.

2. Significant accounting policies (continued):

(ii) Financial liabilities:

Financial liabilities are recognized initially on the trade date at which SIP becomes a party to the contractual provisions of the instrument. SIP derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. SIP has the following non-derivative financial liabilities: accounts payable and accrued liabilities.

(iii) Fair value measurement principles:

SIP's financial instruments recorded at fair value have been categorized based upon the following fair value hierarchy:

- Level 1 – quoted price (unadjusted) in an active market for an identical instrument.
- Level 2 – valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.
- Level 3 – valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the investments.

3. Significant accounting policies (continued):

(iv) Investment income:

Dividends and interest income are included in investment income and are recorded as they accrue. Interest is recognized using the effective interest rate method. Income distributions from Canadian income trusts are recorded as income when received. Dividend income on equity investments is recorded on the ex-dividend date.

(v) General investment expenses:

General investment expenses are recognized as incurred.

(c) Property and equipment:

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized net within other income in profit or loss.

Amortization is provided using the straight-line basis over the following periods:

Asset	Rate
Leasehold improvements	10 years
Furniture and equipment	3 years
Computer hardware	2 years

2. Significant accounting policies (continued):

(d) Claims liabilities:

Provision has been made for the estimated liability for all reported and outstanding claims using a case-basis evaluation plus an amount for adverse development and for claims incurred to March 31, which have not yet been reported to SIP. The computation of these provisions takes into account the time value of money using discount rates based on projected investment income from the assets supporting these provisions.

Since the amounts are necessarily based on estimates of future trends in claim severity and other factors which could vary as the claims are settled, the ultimate liability may be more or less than the estimated amounts. Although it is not possible to measure the degree of variability inherent in such estimates, management believes that the unpaid claims amounts and related adjustment expenses are adequate. The estimates are annually reviewed by an actuary and, as adjustments to these liabilities become necessary, they are reflected in current operations.

(e) Additional coverage and other primary insurance coverage:

SIP, on behalf of its Subscribers, obtains additional coverage and other primary insurance coverage. No amount has been recorded related to this other coverage as SIP is not an insurer in these contracts.

(f) Salvage and subrogation recoverable:

In certain circumstances, SIP acquires the right to pursue third parties for losses paid to policyholders under insurance contracts or to dispose of the damaged goods. SIP has recognized and disclosed all identifiable and measurable amounts it expects to recover and recoverable amounts are not recognized until paid or confirmed by SIP's solicitor or adjusters.

(g) Insurance contracts:

Insurance contracts are those contracts that have insurance risk throughout the term of the contract. Insurance risk arises when SIP agrees to compensate a policyholder if a specified uncertain future event adversely affects the policyholder. It is defined as the possibility of paying significantly more in a scenario where the insured event occurs than when it does not occur.

2. Significant accounting policies (continued):

(h) Income taxes:

As an exchange under *The Insurance Act* of Nova Scotia, the NSSIE is not subject to income taxes and, accordingly, no provision for income taxes has been made in these combined financial statements.

As a not-for-profit organization under *The Societies Act* of Nova Scotia, the NSSIPA is not subject to income taxes and accordingly no provision for income taxes has been made in these combined financial statements.

(i) Impairment:

(i) Financial assets:

A financial asset carried at amortized cost is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to SIP on terms that SIP would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Impairment losses on AFS investment securities are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in unrealized gains/losses on AFS financial assets, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognized in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

2. Significant accounting policies (continued):

If, in a subsequent period, the fair value of an impaired AFS debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognized in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. However, any subsequent recovery in the fair value of an impaired AFS equity security is recognized in other comprehensive income.

(ii) Non-financial assets:

The carrying amounts of SIP's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less expected selling costs. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in income in the period in which the impairment is determined.

(j) Foreign currency translation:

The Canadian dollar is the functional and presentation currency of SIP. Transactions in foreign currencies are translated into Canadian dollars at rates of exchange at the time of such transactions. Translation differences on AFS investments are classified as other changes in the carrying value of the investment and are recognized in other comprehensive income.
Monetary assets and liabilities are translated at current rates of exchange.

2. Significant accounting policies (continued):

(k) New standards and interpretations not yet adopted:

(i) IFRS 17, "Insurance Contracts":

On May 18, 2017 the IASB issued IFRS 17 Insurance Contracts. The new standard is effective for annual periods beginning on or after January 1, 2021 (however, the IASB has tentatively decided to propose deferring the effective date to January 1, 2022). IFRS 17 will replace IFRS 4 Insurance Contracts. This standard introduces consistent accounting for all insurance contracts. The standard requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. Additionally, IFRS 17 requires an entity to recognize profits as it delivers insurance services, rather than when it receives premiums. SIP intends to adopt IFRS 17 in its financial statements for the annual period beginning on April 1, 2021. The extent of the impact of adoption of the standard has not yet been determined.

(ii) IFRS 9, Financial Instruments:

In July 2014, the IASB issued the complete amended IFRS 9, Financial Instruments. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. The restatement of prior periods in not required and is only permitted if information is available without the use of hindsight.

IFRS 9 introduces new requirements for the classification and measurement of financial assets based on the business model in which they are held and the characteristics of their contractual cash flows. It also amends the impairment model by introducing a new "expected credit loss" model for calculating impairment.

The standard also introduces additional changes relating to financial liabilities.

IFRS 9 also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. Special transitional requirements have been set for the application of the new general hedging model.

2. Significant accounting policies (continued):

In September 2016, the IASB issued amendments to IFRS 4, Insurance Contracts to address accounting mismatches and volatility that may arise in profit or loss in the period between the effective date of IFRS 9 and the new insurance contracts standard, IFRS 17 Insurance Contracts, issued in May 2017.

The amendments introduce two approaches that may be adopted by insurers in the period between the effective date of IFRS 9, January 1, 2018 and IFRS 17, effective January 1, 2021 (however, the IASB has tentatively decided to propose deferred the effective date to January 1, 2022):

- Overlay approach – an option for all issuers of insurance contracts to reclassify amounts between profit or loss and other comprehensive income for eligible financial assets by removing any additional accounting volatility that may arise from applying IFRS 9; and
- Temporary exemption – an optional temporary exemption from IFRS 9 for entities whose activities are predominately connected with insurance. This exemption allows an entity to continue to apply existing financial instrument requirements in IAS 39 to all financial assets until the earlier of the application of IFRS 17 or January 1, 2021.

SIP evaluated its liabilities at March 31, 2016, the prescribed date of assessment under the temporary exemption provisions and concluded that all of the liabilities were predominantly connected with insurance. Approximately 99% of SIP's liabilities at March 31, 2016 are liabilities that arise from contracts within the scope of IFRS 17 and approximately 99% of SIP's liabilities at March 31, 2016 are liabilities that arise because SIP issues insurance contracts and fulfils obligations arising from insurance contracts. Additionally, SIP has not previously applied any version of IFRS 9. Therefore, SIP is an eligible insurer that qualifies for optional relief from the application of IFRS 9.

As at April 1, 2018, SIP has elected to apply the optional transitional relief under IFRS 4 that permits the deferral of the adoption of IFRS 9 for eligible insurers. SIP will continue to evaluate the impact of IFRS 9.

(ii) IFRS 16, Leases:

On January 13, 2017, the IASB issued IFRS 16, Leases, effective for annual periods beginning on or after January 1, 2019. IFRS 16 will replace IAS 17 Leases. This standard introduces a single lessee accounting model and required a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

2. Significant accounting policies (continued):

A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirement of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. SIP intends to adopt IFRS 16 in its financial statements for the annual period beginning on April 1, 2019. SIP does not expect the standard to have a material impact on the financial statements.

Change in accounting policies:

SIP adopted IFRS 15, Revenue from Contracts with Customers effective January 1, 2018. The adoption of IFRS 15 did not impact the timing or amount of income from contracts with customers and the related assets and liabilities recognized by SIP.

3. Significant judgments and estimates:

SIP makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Significant judgments:

Significant judgments made in applying accounting policies relate to impairments on AFS financial assets. As of each reporting date, SIP evaluates AFS financial assets in an unrealized loss position for impairment on the basis described in note 2(i).

For investments in bonds and debentures, evaluation of whether impairment has occurred is based on SIP's best estimate of the cash flows expected to be collected at the individual investment level. SIP considers all available information relevant to the collectability of the investment, including information about past events, current conditions, and reasonable and supportable forecasts. Estimating such cash flows is a quantitative and qualitative process that incorporates information received from third party sources along with certain internal assumptions and judgments. Where possible, this data is benchmarked against third party sources. Impairments for bonds and debentures in an unrealized loss position are deemed to exist when SIP does not expect full recovery of the amortized cost of the investment based on the estimate of cash flows expected to be collected or when SIP intends to sell the investment prior to recovery from its unrealized loss position.

For equity investments, SIP recognizes an impairment loss in the period in which it is determined that an investment has experienced significant or prolonged loss position.

3. Significant judgments and estimates (continued):

(b) Estimates:

Information about assumptions and estimation uncertainties that have a risk of resulting in material adjustment within the next twelve months relate to claims liabilities.

Provisions for claims liabilities are valued based on Canadian accepted actuarial practice, which are designed to ensure SIP establishes an appropriate reserve on the combined statement of financial position to cover insured losses and claims expenses with respect to the reported and unreported claims incurred as of the end of each accounting period. The policy liabilities include a provision for unpaid claims and adjustment expenses on the expired portion of policies and of future obligations on the unexpired portion of policies. In performing the valuation of the liabilities for these contingent future events, the Appointed Actuary, Pricewaterhouse Coopers, makes assumptions as to future loss ratios, trends, investment rates of return, expenses and other contingencies, taking into consideration the circumstances of SIP and the nature of the insurance policies.

The assumptions underlying the valuation of provisions for unpaid claims and adjustment expenses are reviewed and updated by SIP on an ongoing basis to reflect recent and emerging trends in experience and changes in risk profit of the business.

4. Investments:

	2019	2018
Bonds:		
Government	$ --	$ 314,451
Corporate	--	966,871
Pooled bond funds units:		
Government	2,807,261	2,816,704
Corporate	2,569,228	2,326,718
Other	860,382	568,426
Accrued interest	12,697	24,403
Equities:		
Common shares	1,066,231	1,012,185
Mutual and pooled funds units	1,046,513	1,144,765
	$ 8,362,312	$ 9,174,523

The fair values of securities are based on quoted market values. Pooled funds and mutual funds are valued using an estimated fair value derived from the quoted market values of the underlying investments held by the respective pooled or mutual fund.

4. Significant judgments and estimates (continued):

Fair values of cash equivalents and accrued investment income approximate their carrying values due to the short-term maturity of these items.

(a) Liquidity:

Principal bond maturity profile as at March 31, 2019, assuming bonds are not liquidated prior to maturity is as follows:

Government pooled bond funds units	5.2 years
Corporate pooled bond funds units	6.0 years
Other pooled bond funds units	3.2 years

The weighted average yield for debt securities based on market value at March 31, 2019 is 2.6% (March 31, 2018 – 3.0%).

(b) Investment and other income:

	2019	2018
Interest	$ 46,307	$ 91,338
Dividends	222,366	196,966
Gain on sale of investments	29,049	340,607
	$ 297,722	$ 628,911

Dividends includes re-invested dividends of $8,949 (2018 - $7,979) related to mutual funds and short term investments.

5. Property and equipment:

	Furniture and equipment	Computer hardware	Leasehold improvements	Total costs:
Balance, March 31, 2018	$ 84,428	$ 52,426	$ 8,759	$145,613
Additions		11,659	–	11,659
Disposals	(1,474)	(4,205)	–	(5,679)
Balance, March 31, 2019	82,954	59,880	8,759	151,593
Accumulated depreciation:				
Balance, March 31, 2018	79,588	49,151	5,407	134,146
Depreciation for the year	2,696	5,176	933	8,805
Disposals	(1,474)	(4,206)	–	(5,680)
Balance, March 31, 2019	80,810	50,121	6,340	137,271
Carrying amounts:				
Balance, March 31, 2018	$ 4,840	$ 3,275	$ 3,352	$ 11,467
Balance, March 31, 2019	$ 2,144	$ 9,759	$ 2,419	$ 14,322

6. Limits of liability:

(b) Commercial general liability insurance:

The limit of liability for liability insurance is a maximum amount on any one loss of $250,000 subject to a policy annual aggregate of $1 million. The Subscriber pre-entry deductible is $1,000 for third- party property damage only. There is no deductible for bodily or personal injury. These policy liability limits were in effect for both fiscal years 2019 and 2018.

6. Limits of liability (continued):

(c) Property insurance:

The limit of liability for property insurance is a maximum amount of any one loss of $250,000 subject to a policy annual aggregate of $1 million. The Subscriber pre-entry deductible is $5,000. These policy liability limits were in effect for both fiscal years 2019 and 2018.

(d) Educational errors and omissions insurance:

The limit of liability for errors and omissions insurance is a maximum amount of any one loss of $250,000 subject to a policy annual aggregate of $1 million. The Subscriber pre-entry deductible (after the SIP self-insured retention of $250,000) is $1,000. These policy liability limits were in effect for both fiscal years 2019 and 2018.

7. Claims liabilities:

(a) Nature of claims liabilities:

Claims liabilities are estimates subject to variability and the variability could be material in the near term. The variability arises because all events affecting the ultimate settlement of claims have not taken place and may not take place for some time. Variability can be caused by receipt of additional claim information, or significant change in severity or frequency of claims from historical trends. The estimates are principally based on SIP's historical experience. Methods of estimation have been used which SIP believes produce reasonable results given current information.

SIP strives to establish adequate claim liabilities at the original valuation date. However, as time passes, the ultimate cost of claims becomes more certain. During 2019, SIP experienced unfavorable claims development of $42,252, 2018 favorable claims development of $409,772.

The table below details the claim liabilities by risk categories:

7. Claims liabilities (continued):

	2019 Gross	2019 Net	2018
Property	$ 521,475	$ 521,475	$ 1,291,495
Comprehensive general liability	2,787,498	2,787,498	2,668,809
Educational errors and omissions	222,978	222,978	83,734
	$ 3,531,951	$ 3,531,951	$4,044,038

Management has concluded that the best estimate of the fair value of claims liabilities currently available is the amount calculated by the Appointed Actuary. The Actuary's calculated value as at March 31, 2019 amounted to $3,531,951 (2018 - $4,044,038).

(b) Discounting of the claims liabilities

The provision for claims liabilities is discounted using rates based on the projected investment income from the assets supporting the provisions, and reflecting the estimated timing of payments and recoveries. The discount rate used in the valuation was 1.39% (2018 – 1.78%).

The provision estimates are as follows:

	2019		2018	
	Discounted	Undiscounted	Discounted	Undiscounted
Gross provision	$3,531,951	$3,274,924	$4,044,038	$3,822,211
Net provision	3,531,951	3,274,924	4,044,038	3,822,211

Undiscounted provisions reflect the estimated claims and related expenses prior to the effect of discounting and provision for adverse deviation (PFAD) determined by the appointed actuary.

(c) Insurance contract provision:

	2019 Gross	2019 Net	2018
Notified claims	$ 1,932,697	$ 1,932,697	$ 2,373,729
Claims incurred but not reported	1,599,254	1,599,254	1,670,309
	$ 3,531,951	$ 3,531,951	$ 4,044,038

7. Claims liabilities (continued):

(d) Analysis of movements in insurance contract provisions:

	2019	2018
Balance, April 1	$ 4,044,038	$ 3,953,307
Current year claims and expenses	1,396,699	1,867,444
Prior year unfavourable (favourable) development	42,252	(409,772)
Total claims incurred	5,482,989	5,410,979
Increase (decrease) due to changes in discount rate and PFAD	35,200	(152,298)
Claims and related expenses paid	(1,986,238)	(1,389,656)
Excess reinsurance received	--	175,013
Balance, March 31	$ 3,531,951	$ 4,044,038

(e) Methodologies and assumptions:

The provision for claims liabilities is an estimate that is determined using a range of accepted actuarial claims projection techniques determined based on the line of business. The reported amount is based on studies of past experience. The key assumption of the incurred loss/paid loss claims development method is that claims recorded to date will continue to develop in a similar manner in the future. These techniques use SIP's historical claims development patterns to predict future claims development. In situations where there has been a significant change in the environment or underlying risks, the historical data is adjusted to account for expected differences. The historical studies are regularly compared to current emerging experience so that adjustments may be made as necessary.

In order to calculate the carrying value of the unpaid claims, SIP uses an actuarial approach recognizing the time value of money which incorporates assumptions concerning projected cash flows and appropriate provisions for adverse deviations. The actuarially determined carrying value of claims liabilities is considered an indicator of fair value, as there is no ready market for the trading of insurance policy liabilities.

The provision for claims liabilities is discounted as described in note 7(b).

7. Claims liabilities (continued):

(f) Changes in assumptions:

Consideration is given to the characteristics of the risks, historical trends, the amount of data available on individual claims, inflation and any other pertinent factors. Some assumptions require a significant amount of judgment such as the expected future impacts of future judicial decisions and government legislation. The diversity of these considerations result in it not being practicable to identify and quantify all individual assumptions that are more likely than others to have a significant impact on the measurement of SIP's insurance contracts. There were no assumptions identified in the year or the preceding year as having a potential or identifiable material impact on the overall claims estimate.

(g) Sensitivity analysis:

There is uncertainty inherent in the estimation process. The actual amount of ultimate claims can only be ascertained once all claims are closed. Among all the lines of business, general liability line of business has the largest unpaid claims liabilities. Given the nature of this line of business and the fact that it has a very long tail, this line's estimate is the most critical to the assumptions used. If the tail factor selection on this line of business was 5% higher, the net claims liabilities would be $162,544 higher. The effect on net profit would be a reduction of $162,544. If the expected loss ratios used were 5% higher in all loss years, the net claims liabilities would be $125,913 higher, generating a reduction of $125,913 in net profit. Changes in assumptions on other lines of business are considered to be less material.

(h) Claims development tables:

The following table shows the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive loss year at each reporting date, together with cumulative payments to date.

NOVA SCOTIA SCHOOL INSURANCE PROGRAM

Notes to Combined Financial Statements (Continued)

Year ended March 31, 2019

7. Claims liabilities (continued):

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Estimate of ultimate claims costs:											
End of accident year	$	$816,333	$572,423	$882,851	$1,333,358	$1,824,636	$1,555,249	$1,528,025	$1,527,943	$1,166,928	
End of one year	586,533	904,844	475,390	766,990	1,437,403	1,673,420	1,273,502	1,450,630	1,477,497	–	
End of two years	533,464	769,622	477,723	631,688	1,308,691	1,693,489	1,323,401	1,270,054	–	–	
End of three years	522,466	810,358	416,578	552,798	1,321,573	1,676,228	1,300,923	–	–	–	
End of four years	552,283	727,998	433,836	516,117	1,203,630	1,677,276	–	–	–	–	
End of five years	515,694	632,264	399,747	474,649	1,577,608	–	–	–	–	–	
End of six years	492,653	632,777	349,282	472,464	–	–	–	–			
End of seven years	490,200	607,127	353,415	–	–	–	–	–	–		
End of eight years	461,010	566,042	–	–	–	–	–	–	–	–	
End of nine years	443,093	–	–	–	–	–	–	–	–	–	
Current estimate of cumulative claims	443,093	566,042	353,415	472,464	1,577,608	1,677,276	1,300,923	1,270,054	1,477,497	1,166,928	
Cumulative claims payments to	(441,861)	(562,311)	(342,975)	(371,654)	(1,048,650)	(1,513,711)	(1,110,536)	(1,075,798)	(1,028,295)	(140,916)	
Liability Recognized	1,232	3,731	10,440	100,810	528,958	163,565	190,387	194,256	449,202	1,026,012	
Total all claims											2,668,596
Liability in respect of prior years											59,352
Balancing item											546,976
Effect of discounting**											257,027
Total net claims liabilities											$ 3,531,951

**Effect of discounting includes the provision for adverse deviations

8. Financial risk management:

The primary goals of SIP's financial risk management policies are to ensure that the outcomes of activities involving elements of risk are consistent with SIP's objectives and risk tolerance, and to maintain an appropriate risk/reward balance while protecting SIP's combined statement of financial position from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through aligning risk appetite with business strategy, diversifying risk, pricing appropriately for risk, mitigating risk through preventive controls and transferring risk to third parties.

SIP's exposure to potential loss from financial risks is primarily due to underwriting risk along with various market risks, including interest rate risk and equity market fluctuation risk, foreign currency risk, liquidity risk, as well as credit risk.

(a) Underwriting risk:

Underwriting risk is the risk that the total cost of claims and acquisition expenses will exceed premiums received and can arise from numerous factors, including pricing risk, reserving risk and catastrophic loss risk.

SIP's underwriting objective is to provide cost effective insurance for its subscribers.

(i) Pricing risk:

Pricing risk arises when actual claims experience differs from the assumptions included in pricing calculations. Historically, the underwriting results of the property and casualty industry have fluctuated significantly due to the cyclicality of the insurance market. The market cycle is affected by the frequency and severity of losses, levels of capacity and demand, general economic conditions and price competition. SIP prices premiums based on a historical factor of provider premiums and a calculation based on enrollment and square footage.

(ii) Reserving risk:

Reserving risk arises due to the length of time between the occurrence of a loss, the reporting of the loss to the insurer and ultimate resolution of the claim. Claim provisions are expectations of the ultimate cost of resolution and administration of claims based on an assessment of facts and circumstances then known, a review of historical settlement patterns, estimates of trends in claims severity and frequency, legal theories of liability and other factors.

8. **Financial risk management (continued):**

Variables in the reserve estimation process can be affected by receipt of additional claim information and other internal and external factors, such as economic inflation, legal and judicial trends and legislative changes. Due to the amount of time between the occurrence of a loss, the actual reporting of the loss and the ultimate payment, provisions may ultimately develop differently from the actuarial assumptions made when initially estimating the provision for claims. SIP's provisions for claims are reviewed separately by, and must be acceptable to, the independent appointed actuary.

(iii) Catastrophic loss risk:

Catastrophic loss risk is the exposure to losses resulting from multiple claims arising out of a single catastrophic event. Property and casualty insurance companies experience large losses arising from manmade or natural catastrophes that can result in significant underwriting losses. Catastrophes can cause losses in a variety of property and casualty lines and may have continuing effects which could delay or hamper efforts to timely and accurately assess the full extent of the damage they cause. The incidence and severity of catastrophes are inherently unpredictable. SIP's exposure to risks is managed through the use of excess primary policies.

(b) Credit risk:

(i) Invested assets:

SIP's risk management strategy is to invest primarily in debt instruments of high credit quality issuers and to limit the amount of credit exposure with respect to any one issuer. SIP attempts to limit credit exposure by imposing portfolio limits on individual corporate issuers as well as limits based on credit quality. The breakdown of SIP's fixed income portfolio by the S&P rating or where unavailable the Fitch rating is presented below:

	March 31, 2019		March 31, 2018	
	Fair value	% of total	Fair value	% of total
AAA	$ 3,930,198	63.02%	$ 3,493,907	49.98%
AA	–	0%	171,819	2.46%
A+	2,273,129	36.45%	--	0%
A		0%	2,852,487	40.80%
<A	33,543	.54%	473,060	6.76%
	$ 6,236,870	100.00%	$ 6,991,273	100.00%

8. Financial risk management (continued):

(b) Credit risk (continued):

(ii) Aggregated credit risk:

SIP's aggregate exposure to credit risk is as follows:

	2019	2018
Investments in bonds	$ 6,236,870	$ 6,991,273
Accrued investment income, including interest	15,925	28,439
Accounts receivable	31,564	990
Cash and cash equivalents	2,642,089	4,105,981
	$ 8,926,448	$ 11,126,683

(c) Liquidity risk:

Liquidity risk is the risk of having insufficient cash resources to meet financial commitments and policy obligations as they fall due, without raising funds at unfavorable rates or selling assets on a forced basis.

Liquidity risk arises from the general business activities and in the course of managing the assets and liabilities. The liquidity requirements of SIP's business have been met primarily by funds generated from operations, asset maturities and income and other returns received on securities. Cash provided from these sources is used primarily for claims and claim adjustment and defense expense payments and operating expenses. The timing and amount of catastrophe claims are inherently unpredictable and may create increased liquidity requirements.

To meet these cash requirements, SIP has policies to limit and monitor its exposure to individual issuers or related groups and to ensure that assets and liabilities are broadly matched in terms of their duration and currency. SIP also holds a portion of invested assets in liquid securities. At March 31, 2019, SIP has $2,642,089 (2018 - $4,105,981) of cash and cash equivalents.

Along with the expected maturity profile of SIP's investment portfolio, the following table shows the expected payout pattern of the unpaid claim liabilities.

8. Financial risk management (continued):

Expected payout pattern of unpaid claims as at March 31, 2019:

Within 1 year	1 - 5 years	5 - 10 years	Over 10 years	Total
$ 864,326	$ 1,662,952	$ 704,254	$ 43,391	$3,274,923

Expected payout pattern of unpaid claims as at March 31, 2018:

Within 1 year	1 - 5 years	5 - 10 years	Over 10 years	Total
$ 1,176,404	$ 1,915,977	$ 683,783	$ 46,044	$3,822,208

(d) Market risk:

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, equity market fluctuations, foreign currency exchange rates, and other relevant market rate or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. Below is a discussion of SIP's primary market risk exposures and how those exposures are currently managed.

(i) Interest rate risk:

Fluctuations in interest rates have a direct impact on the market valuation of SIP's fixed income securities portfolio and liability values. Historical data and current information is used to profile the ultimate claims settlement pattern by class of insurance, which is then used in a broad sense to develop an investment policy and strategy. Generally, investment income will move with interest rates over the long-term. Short-term interest rate fluctuations will generally create unrealized gains or losses. Generally, SIP's interest and dividend investment income will be reduced during sustained periods of lower interest rates as higher yielding fixed income securities are called, mature, or are sold and the proceeds are reinvested at lower rates, and will likely result in unrealized gains in the value of fixed income securities SIP continues to hold, as well as realized gains to the extent the relevant securities are sold. During periods of rising interest rates, the market value of SIP's existing fixed income securities will generally decrease and gains on fixed income securities will likely be reduced or result in realized losses.

8. Financial risk management (continued):

As at March 31, 2019, management estimates that an immediate hypothetical 100 basis point, or 1%, parallel increase in interest rates would decrease the market value of the fixed income securities by $181,493 (2018 – $156,605), representing 2.91% (2018 – 2.24%) of the $6,236,870 (2018 - $6,991,273) fair value fixed income securities portfolio, and decrease the value of unpaid claims reserves by $102,775 (2018 - $106,839), thus partially offsetting the change in market value of bonds. Conversely, a 100 basis point decrease in interest rates would increase the market value of the fixed income securities by $192,719 (2018 - $164,295) and increase unpaid claims reserves by $109,268 (2018 - $113,315). If it was necessary for us to complete an unexpected quick liquidation of assets to meet our policy obligations, interest rate fluctuations could result in realized gains or losses greater than the change in reserve values.

Computations of the prospective effects of hypothetical interest rate changes are based on numerous assumptions, including the maintenance of the existing level and composition of fixed income security assets at the indicated date, and should not be relied on as indicative of future results. The analysis in this section is based on the following assumptions: 1) the securities in SIP's portfolio are not impaired; 2) interest rates and equity prices move independently; 3) shifts in the yield curve are parallel; and, 4) credit and liquidity risks have not been considered. In addition, it is important to note that AFS securities in an unrealized loss position, as reflected in OCI, may at some point in the future be realized either through a sale or impairment.

(ii) Equity market fluctuation risk:

Fluctuations in the value of equity securities affects the level and timing of recognition of gains and losses on securities held, and causes changes in realized and unrealized gains and losses. General economic conditions, political conditions and many other factors can also adversely affect the stock markets and, consequently, the value of the equity securities SIP owns.

To mitigate these risks, SIP establishes an investment policy which is approved by the Board of Directors. The policy sets forth limits for each type of investment and compliance with the policy is closely monitored. SIP manages market risk through asset class diversification, policies to limit and monitor its individual issuers and aggregate equity exposure.

As at March 31, 2019, management estimates a hypothetical 10% increase in equity markets, with all other variables held constant, would impact OCI by approximately $12,275 (2018 - $31,718). A 10% decrease in equity prices would have the corresponding opposite effect, impacting OCI by the same amounts. Stocks comprise 25.3% (2018 – 23.5%) of the fair value of SIP's total investments.

8. Financial risk management (continued):

(iii) Foreign exchange risk:

Foreign exchange risk is the possibility that changes in exchange rates produce an unintended effect on earnings and equity when measured in domestic currency. This risk is larger when assets backing liabilities are payable in one currency and are invested in financial instruments of another currency. SIP monitors the exposure of invested assets to foreign exchange and limits these amounts when deemed necessary and mitigates foreign exchange rate risk. SIP may nevertheless, from time to time, experience losses resulting from fluctuations in the values of these foreign currencies, which could adversely affect operating results.

At March 31, 2019, SIP held $727,043 in US equities.

As at March 31, 2019, management estimates that a hypothetical 10% increase in the value of the Canadian dollar compared to the US dollar with all other variables held constant, would impact OCI by ($5,995). A 10% decrease in the value of Canadian dollar compared to US dollars would have the corresponding opposite effect, impacting OCI by the same amounts.

9. Fair value measurement:

The following presents SIP's financial instruments measured at fair value by hierarchy level:

	March 31, 2019		March 31, 2018	
	Fair value	Cost	Fair value	Cost
Level 1				
Investments	$1,066,231	$ 841,456	$2,306,279	$2,089,741
Level 2				
Investments	$7,296,081	$7,117,006	$6,868,244	$6,885,957
	$8,362,312	$7,958,462	$9,174,523	$8,975,698

There were transfers of $812,211 between Level 1 and Level 2 in the period. There were no fair value measurements classified as Level 3.

10. Rate stabilization reserves:

SIP has reserves which are intended to ensure stable rates to its members in future years as follows:

	Unrestricted Reserves	Externally Restricted Guarantee	Total
March 31, 2018	$ 3,886,356	$ 1,139,557	$ 5,025,913
Net loss	(270,338)	--	(270,338)
Required transfer to and from restricted reserves	171,581	(171,581)	--
Balance, March 31, 2019	$ 3,787,599	$ 967,976	$ 4,755,575

(a) In accordance with the Exchange Agreement, Subscribers were not obliged to contribute any amounts to SIP in the form of a capital contribution. The combined rate stabilization reserves therefore represent the cumulative excess of income over expenses, including investment income, and may be used to cover potential future catastrophic claims or accommodation for significant increases in excess insurance premiums as appropriate. The Exchange Agreement provides that additional assessments may be made to the Subscribers to the extent that premiums collected are insufficient to cover the claims and expenses experienced by SIP. Similarly, where accumulated funds are in excess of funds required to meet the obligations in respect of claims arising, the Exchange Agreement provides for the issue of premium credits.

(b) In accordance with the May, 2019, actuarial review of the minimum capitalization required for SIP (based on March 31, 2018 actual results), a conservative level of capital has been determined to be in the range of $4,000,000. This actuarial value, including externally restricted reserves, represents the capital, in its simplest form, required to cover the shortfall between the premium income based on expected losses and expenses and losses as measured at year end. It also protects policyholders against any sudden increase in frequency or severity that could otherwise result in significant rate increases.

10. Rate stabilization reserves (continued):

c) *The Insurance Act* of Nova Scotia requires SIP to maintain a Guarantee Fund of $50,000 in cash or approved securities. The Act also requires SIP to maintain a Restricted Reserve Fund in cash or approved securities equal to 50% of the gross premiums receipts minus the cost of excess insurance, excluding broker fees.

11. Commitments:

In December, 2011, SIP entered into an agreement to lease office space until 2021. SIP is also committed to various equipment leases and software maintenance agreements which expire on various dates. Minimum rent payable for each of the next three years and the Riskonnect software lease is as follows:

	Premises	Other	Total
2020	33,561	52,598	86,159
2021	22,374	52,598	74,972
2022	--	52,598	52,598

12. Capital management:

Capital is comprised of SIP's Rate Stabilization Reserves. As at March 31, 2019, SIP's capital was $4,755,575 (2018 - $5,025,913). SIP's objectives when managing the capital are to maintain financial strength, protect its claim paying liabilities, facilitate the prudent operation of SIP and promote long-term stability in premiums assessed to its Subscribers. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines based on risk management policies.

SIP is required to have a guaranteed reserve fund of 50% of annual premiums received minus the cost of excess insurance, excluding broker fees.

The minimum capital levels for SIP are monitored by their regulator, the Office of the Superintendent of Insurance for the Province of Nova Scotia.

13. Operating expenses:

	2019	2018
Salaries and contracting out	$ 460,183	$ 530,235
Risk	169,094	160,750
Rent and related expenses	79,906	78,293
Professional	79,110	74,359
Data	115,631	106,369
E&O coverage for staff and directors	37,000	32,983
Translation and student accident insurance promotion	14,332	6,304
Board and committee meetings	15,483	45,723
Depreciation	8,805	12,469
Office	12,600	11,939
Print and website	16,991	5,656
Telephone and communications	10,514	14,825
Professional development and dues	19,671	15,378
Other miscellaneous	6,935	22,683
	$ 1,046,255	$ 1,117,966

14. Key management personnel:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of SIP, directly or indirectly, including the Board of Directors of SIP.

Compensation expenses related to key management personnel consisted of $ 240,999 (2018 - $208,234) related to salaries and other short-term employee benefits. No other benefits were paid.

Compensation expenses related to SIP's Board of Directors was $0 (2018 - $14,750) related to monthly stipend payments. No other benefits were paid.

15. Changes in non-cash working capital items:

	2019	2018
Loans and receivables	$ (30,574)	$ (114)
Excess insurance recoverable	--	--
Other assets	65,570	4,037
Accounts payable and accrued liabilities	67,679	43,369
	$ 102,675	$ 211,470

16. Comparative information:

These financial statements contain certain reclassifications of prior year amounts to be consistent with the current period presentation.

APPENDIX 2

SIP CELEBRATES 30 YEARS

Volume 4 • No.2
SEPT 2018

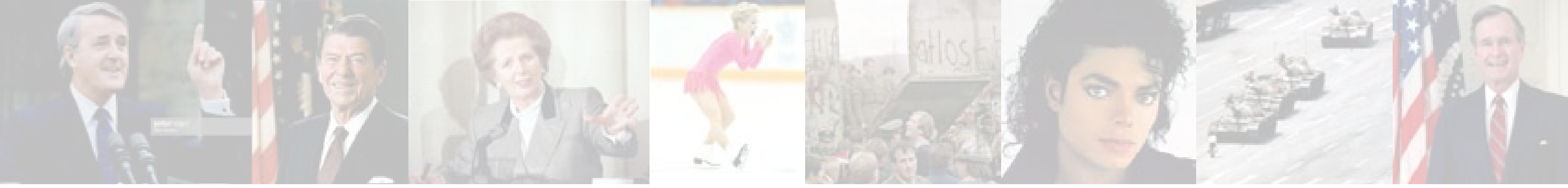
riskwrite

Stuff that matters to you and the Nova Scotia School Insurance Program

30TH ANNIVERSARY ISSUE

SIP
School Insurance Program

Not for profit.



Strait audit unearths irregularities

Board seeks cash back from former di

NDP demands government release Strait board audit

...ifax school board ...s it's suspicious ...ories' motives

School board $310,000 richer

Out-of-court settlement reached with insurance company

Strait board owes province $650,000 for

Strait deals co... taxpayers millions

...d news for ...ool board

Strait allegations surface

2001

30 Years of Progress

1983—Auditor General (NS) advised study should be undertaken on Self Insurance

SIP formed in 1988

1990 May 16—Piercy vs Lunenburg County School Board: Largest liability claim in **SIP**'s history

1991 September 9—Pugwash District High School: Fire destroyed section of school

Creation of the J and K forms

1991 August 12—Parrsboro Regional High School: Water damage caused by vandalism

Student Accident Insurance

1998 November 13—Highland Park Junior High: Spark from roofer's torch causes extensive damage to school

Inspection Reports

2000—Nova Scotia School Insurance Exchange and Nova Scotia School Insurance Program Association formed

2001 September—Horton High School: heavy rains overflow into school on 1st and 2nd floor

24/7 Emergency Phone Line staffed by SIP staff

2001—Strait Board collects $**300,000** under the crime policy

2003 September 13—CBVRSB: total loss of property services building

Seminars and Conferences

2003 October 28—Hurricane Juan: **72** claims including Akerley campus that had its roof removed by wind

RiskWrite and Newsletters

Commitment from SIP Board of Directors to have Risk Management material for CSAP schools translated

2005 January 24—West Pubnico: sprinklers freeze and break

Enterprise Risk Management

Volunteer Accident Insurance

Incident Report on-line

2006 September 14—North Queens Elementary School: total fire loss

Community Based Learning—special coverage for marine and aviation risks

PayPal available to parents to pay for Gold Plan student accident insurance

2008 December—St. Mary's Bay Academy: water damage to **8** classrooms and chemistry labs

Guard.me Travel Insurance

SafeSchools on-line training

Addition of Cyber Risk and Terrorism Coverage

2016 March 22—Kennetcook Bus Garage: total fire loss

Purchase of Sexual Abuse Coverage

2017 October—tropical storm Matthew damages **3** schools in Cape Breton (NSCC, CSAP, CBVCE)

Social Engineering—new coverage

Small office—Big job.

Cheers to 30 years!

2009

What is SIP?

The **School Insurance Program** (**SIP**) is a *reciprocal insurance exchange,* which is licenced by the Superintendent of Insurance for the Province of Nova Scotia. The official name of **SIP** is the **Nova Scotia School Insurance Exchange**.

SO... what is a Reciprocal Insurance Exchange?

It's a group or pool of organizations (e.g. Centres for Education, CSAP and the NSCC) that contract with each other to spread the risks and losses inherent in their activities. The reciprocal is an unincorporated, not-for-profit organization that is founded on the mutual agreement of the members to contribute to the losses incurred by the other members.

How long as SIP been in business?

SIP began as a service of the Nova Scotia School Boards Association in 1988. SIP became a reciprocal insurance exchange on December 31, 2000.

What is the purpose of SIP?

We provide quality, education-specific insurance products, claims management, risk management, and loss control services to our Subscribers (Centres for Education, CSAP and the NSCC).

What are the goals of SIP?

We strive to stabilize premiums, level out the highs and lows of the insurance marketplace, enhance and maintain policy wordings specifically designed for the protection of educational institutions, and benefit our Subscribers through the on-going provision of insurance services (see What does SIP do?).

Who owns SIP?

The Subscribers to SIP actually own and govern SIP. Subscribers are: Annapolis Valley Regional Centre for Education, Cape-Breton Victoria Regional Centre for Education, Chignecto-Central Regional Centre for Education, Conseil scolaire acadien provincial, Halifax Regional Centre for Education, Nova Scotia Community College, South Shore Regional Centre for Education, Strait Regional Centre for Education and Tri-County Regional Centre for Education.

What does SIP do?

Claims Management – handling all property, liability, and errors and omissions claims under SIP's Self-Insured retention of $250,000; providing 24/7 SIP staffed claims emergency service

Risk Management – educating the Centres for Education, CSAP and NSCC in all areas through RiskWrite newsletter, seminars, workshops and daily responses to Centres for Education, CSAP and NSCC enquiries

Loss Control – assessing exposures to Centres for Education, CSAP and the NSCC and providing assistance

Insurance Procurement – purchasing excess property, liability and errors and omissions insurance; purchasing other education and public entity insurance products (e.g. fleet, crime, boiler, cyber risk)

Market Watch – searching and maintaining information concerning current insurance market trends

Incident Reports Management – reviewing and following up (when required) on incident reports received from schools and campuses (approximately 7,500 per year); maintaining statistics on incidents

Inspections – providing property and liability inspections of Centres for Education, CSAP and NSCC schools and other properties

Student Accident Insurance – providing basic student accident insurance to all public school students in the province at no cost to students, parents or schools

Volunteer Accident Insurance – providing volunteer accident insurance to all registered school and campus volunteers

Proceed with CAUTION

SIP provides top quality service
because bare minimum is not enough.

How does SIP compare to the insurance industry?

THE **INDUSTRY** WAY

Profits, Not Progress

When industries operate purely for profit, you lose customized customer service and coverages. Their number one priority is returning a profit to shareholders.

Lack of Ownership

"Is Nova Scotia in Canada?"

Large insurance organizations are moving toward international call centres that process claims based on volume targets, not individual personal claims examining.

Putting More Money into Their Pockets

When was the last time you received an invoice from your car insurance company? You had no accidents...so where did the money go? An organization focused on profit provides shareholder returns, not client returns.

TO-DO Lists

Do to a lack of ownership in the claims process, examiners check the appropriate boxes, but don't take the process further to intervene to improve outcomes.

We Can't Do That

"If it's not on the shelf we don't have it".
"If it's not in the manual we can't do it."
Many insurers are slow to change and technologically challenged. You can't wait for them to catch up.

Driven by Shareholders

You are a small fish in a big pond.

THE **SIP** WAY

Progress, Not Profit

Since 1988, **SIP** has been proudly providing high-quality personalized service as a **not-for-profit** organization. **SIP** has been continually improving your coverage over the years solely with your best interests in mind.

Empowered Professionals

We give our insurance professionals the tools they need to succeed, including access to experts who provide support and ongoing guidance to oversee every aspect of quality and predictive analytics. We hire local, qualified and motivated people who know your business.

Putting Money Back into the Classroom

Not-for-profit organizations use what money is needed to get the job done. **SIP** has returned a significant amount of premiums to the Centres for Education, CSAP and the Nova Scotia Community College (NSCC).

TA-DA! Outcomes

With our **24/7 Emergency Claims** service, you speak directly to a **SIP** professional who knows you and your school or campus. Continuity of operations drives our claims and getting your school back up and running is our **#1 goal**.

Mind Over Risk

"That's not right...let's change it!"

Innovation in managing risk and moving toward mobile and self-service technology are just two examples of how our employees are striving to help you.

Driven by You

100% owned by the Centres for Education, CSAP and the NSCC. Your representative on the **SIP** Board is committed to your success.

Children should be seen and not hurt.

2000

We've made a **good** thing even **better**.

2010

FAQ about SIP and Community-Based Learning

What insurance coverage do students have on work experience?

SIP has **2** types of coverage that apply when a student is on work experience:

1. Student accident insurance
Full-time students enrolled in Nova Scotia public schools are insured for no-fault accident insurance for student activities.

2. Liability insurance
The centres for education, and CSAP's liability insurance has been extended to cover students on work experience for legal liability, bodily injury and property damage to a third party.

Who and what are not insured?

The following are **not** insured by SIP:

- Host employers – they will have their own insurance.
- Students operating or driving host employer vehicles.
- Students on a watercraft involved in a pre-arranged race or speed contest.
- Students operating or driving customer vehicles.

The Marine Emergency Duties course is required for students on any boats used in the fisheries.

The Marine Emergencies Duties course is required for students on any boats used in the fisheries. Students on the following boats that are operating in open water or **for longer than 1 day** are also required to take the MED course:

1. Navy boats

2. Nova Scotia ferries

3. Coast Guard

4. Barges

5. Tour boats

Are students allowed to operate a ride on lawn mower or push mower on a work placement?

Yes, as long as the following conditions are met:

- Sufficient training to be given to the students
- Proper personal protection to be worn
- Safety glasses to be worn
- Students are supervised
- Boots and long pants are worn while mowing and no baggy pants.

Are students on co-op work placements allowed to operate or drive vehicles owned by the host employer and the host employer's customers?

Students **cannot** operate or drive any vehicles or off-road vehicles. This includes all vehicles owned by host employers and host employers customer vehicles.

The only **exception** is that students under the supervision of the host employer may operate and drive farm tractors or skid-steered loader (bobcat) owned by the host employer. The farm tractor or skid-steered loader (bobcat) must not be licensed for the road, and can be used on private land only.

Students **cannot** operate a tractor or skid-steer loader (bobcat) on a public road, or even to cross a road.

What is the normal amount of insurance required by host employers for liability coverage?

The normal amount is between $1,000,000 and $2,000,000.

In rare cases the host employer will ask for $5,000,000. If the host employer has not specified an amount, use $1,000,000.

...FAQ

about SIP and Community-Based Learning

What form should be completed if there is an accident?

If an accident occurs during a work placement, the teacher in charge must complete a School Insurance Program on-line incident report as soon as possible; however, the filing of an incident report does not in any way activate a student accident insurance claim. In order to initiate a claim, **parents must report an injury within 30 days of the accident** to the student accident insurance company. Contact information and claims forms are available at **sip.ca**.

Should I tell parents that there is student accident insurance if their child is involved in an accident?

Yes. Direct parents to **sip.ca** for a copy of the student accident policy claims forms and instructions on how to make a claim.

Where can I get more information on student accident insurance?

Click here for student accident insurance or here for how to make a claim.

What should co-op teachers do if the host employers require parents to sign a release or waiver?

SIP and school staff cannot advise parents what they should or should not sign. The decision must be made by the parents.

What work experience risks need to be referred to SIP for approval?

SIP requires teachers to refer certain risks in order for our staff to ensure that the current insurance program covers the student and the legal liability of the school staff, schools, the centres for education and CSAP. They are as follows:

- Students firing weapons
- All work experience outside the province of Nova Scotia
- Any student that will be on a vessel for more than 72 consecutive hours at any one time
- All work placements done at airports and airside
- Students that will be doing a work experience where the host employer uses **aircraft as a tool** in their work.

For example, studying the impact of clear cutting on watersheds. Students acting as pilots or crew members are **not** covered.

For these placements, please complete and send in the below Aviation Application Form: Aviation Application

How are students covered while travelling to their workplace?

Student Accident provides coverage to students participating in a Community Based Learning Program, including any trips undertaken as part of the program and travelling directly to and from his or her residence or buildings or premises of an institution of the Policyholder to such place required by the program.

The term "travelling directly to and from his or her residence or buildings or premises of an institution of the Policyholder" means any travel, which would take a student along a normal or reasonable route, without delay for stop-over.

The policy states that coverage applies when students are attending or participating in an institution activity approved and supervised by a proper authority of the institution or an appointee.

It is understood that a student who goes out to lunch or dinner is no longer in buildings or on the premises of an institution of the Policyholder to such place required by the program and neither are they participating in an institution activity approved and supervised by a proper authority of the institution or an appointee.

Important FACTS about Incident Reports

Where can I get an incident report?

They can be found at **sip.ca** by clicking the **Teachers & Staff** button.

The username is **sip** and the password is **student**.

Click **incident reporting**

When should an incident report be completed?

Immediately if medical attention is required or injury is to head, neck or back.

Complete **as soon as possible** for any other type of physical injury or sexual abuse

Who should fill out an incident report?

The incident report should be filled out **completely by staff**, and not by the injured party. A copy should be given to the school principal.

If an incident report is submitted, is a student accident claim started?

No. The completion and filing of an incident report does not in any way activate a student accident insurance claim. Refer parents to student accident insurance on the **SIP** website, under the section Parents and Students.

Do parents still have to report an injury to the student accident insurance company if an incident report is completed by the school?

Yes! In order to initiate a student accident claim, parents must report an injury within 30 days of the accident to the student accident insurance company. Contact information is available at **sip.ca**

Should SIP incident report forms be completed for students only?

The on-line incident report form should be completed for **students, volunteers, employees, and visitors to the school**. It should be completed for **anyone** who is injured on school property **or** while involved in a school activity (whether **on** or **off** school property).

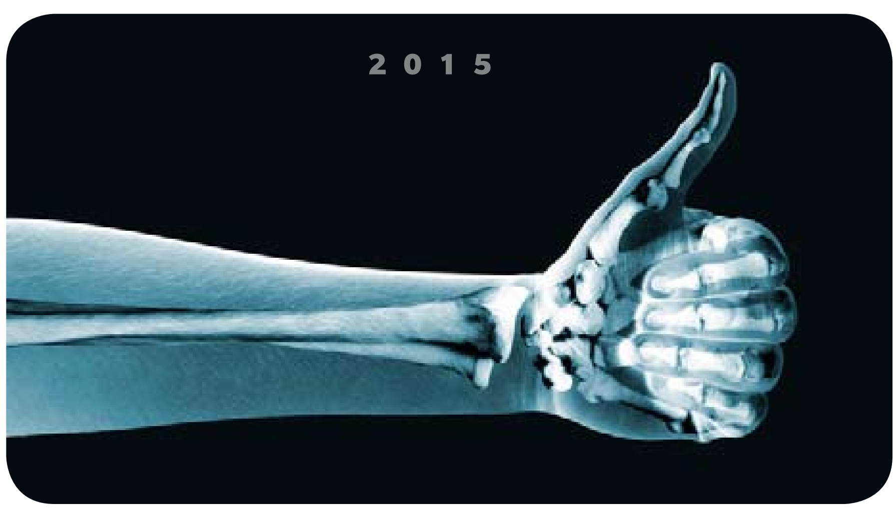
May I give a copy of the incident report form to the person injured?

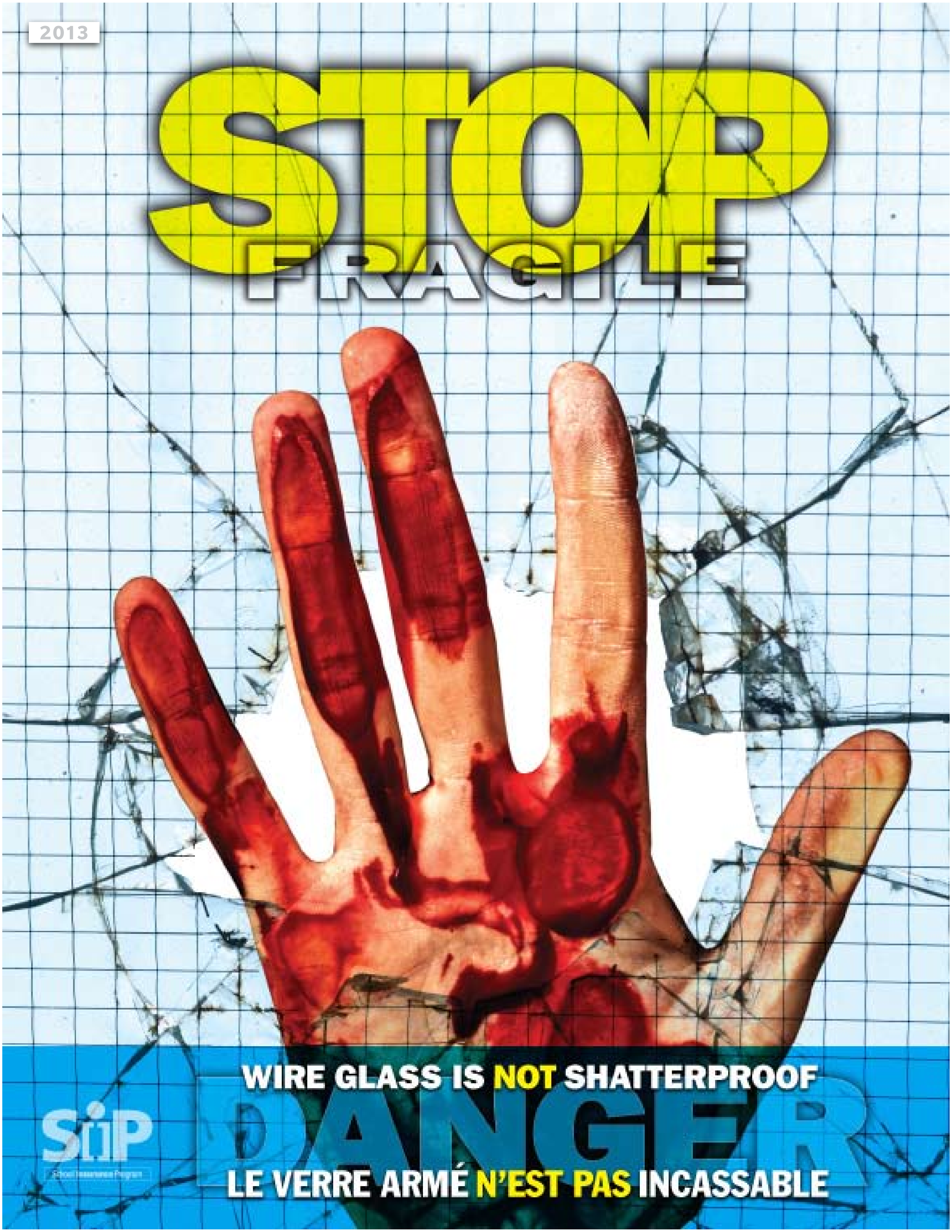
No, these are **SIP** forms, not Centres for Education, CSAP and NSCC forms. They are used by SIP for statistical purposes and should never be given to the injured person or his or her representative.

Is it okay to have the injured person fill out the incident report form?

No! These forms should never be filled out by the injured party. They must be completed by a school employee who is responsible for reporting the incident.

If you have any questions regarding the handing or completion of **SIP** incident report forms, please send your questions to **mail@sip.ca**




2013
STOP
FRAGILE
WIRE GLASS IS NOT SHATTERPROOF
DANGER
LE VERRE ARMÉ N'EST PAS INCASSABLE

SIP Claims Corner Update

On February 4, 2004, a student at South Colchester Academy used a lighter to set off a sprinkler system, which caused water damage to the ceiling tiles, computers and a photocopier. The total cost of the claim, including the School Board's deductible, was **$10,461.64**. The student's parents were notified by our insurance adjuster in April 2004, that **SIP** would be seeking reimbursement for the damages.

Discussions between **SIP**'s adjuster, the student and his parents resulted in an agreement that they would sign a promissory note and provide post-dated cheques on an interest-free basis to repay the Board and **SIP** for damages. The student turned 19 years of age in February 2005, and the promissory note was issued in March 2005. A meeting, set to obtain signatures and post-dated cheques in April 2005, was subsequently cancelled with the intention to reschedule once the required number of cheques were obtained by the student from his financial institution.

Further attempts to collect the signatures and cheques met with resistance and eventually went unanswered. In October 2005, a junior associate from Stewart McKelvey, working on behalf of **SIP**, filed a statement of claim in small claims court, which was completed in November 2005, with a trial date scheduled for January 2006. As a defence was not filed, we requested a quick judgement, which was successful. **SIP** received an Order in the amount of $10,713.64 that included an allocation for costs in the amount of $252.00.

As of March 20, 2018, the judgement has been satisfied and the Centre for Education has been reimbursed its deductible $5,000.00.

SiP
School Insurance Program
GO FOR GOLD
CANADA
2 DOLLARS
You can help put money back in the classroom!
It's simple: Your school will get $2 for every Gold Plan* policy sold during the 2018/19 school year.
Not only will students be better protected against mishaps at school, you'll have some cash to use as you see fit. Win-Win
For more detailed information on the GoldPlan, please visit sip.ca or call us toll-free at: 1.855.480.2170
SiP
School Insurance Program
We are 100% owned by the Regional Centres for Education, Conseil Scolaire Acadien Provincial and the NSCC and work solely in your interest.
Not for Profit
*GoldPlan increases coverage to 24/7 including summer vacations and costs only $14 (1 student) • $28 (2 students) • $35 (3 or more students)

2006

Safe Schools Update

SIP is pleased to advise there are now ***custom made*** courses for Nova Scotia schools:

Fire Safety: Administrators (Nova Scotia):
Safety for Schools Committee – 26 minutes

Fire Safety: Staff (Nova Scotia):
Safety for Schools Committee – 17 minutes

Chemical Fume Hood Safety
Safety for Schools Committee – 20 minutes

Cybersecurity Overview
Pete Just – 13 minutes

To get your password to **SafeSchools,** contact **SIP** at safeschool@sip.ca

SafeSchools

On-line training for your employees brought to you compliments of **SIP**

The School Insurance Program is pleased to announce another value-added service of **SIP**, entitled *SafeSchools Online Training*. **SafeSchools** courses are specifically designed for school employees. The training courses are all authored by school experts and are available from any internet appliance—computers, iPads and even smartphones with internet access.

Each of our participating Centres for Education, CSAP and the Nova Scotia Community College will have their own **SafeSchools** training site. **SafeSchools** training can track group or instructor-led training, and it also tracks individual eLearning training. Centres for Education, CSAP and NSCC can even upload their board/college policies and track acceptance of them as well. Administrators will enjoy real-time progress reports by school and even across the entire system.

While **SafeSchools** is new to Canada and is quickly localizing many of its courses, there are many courses that are ready for you today! As well, there are courses in French, and more in the making.

We are confident that this will be a great resource for all employees in your school board and college, and your students will benefit from safer environments as well. *The program is available immediately.*

SafeSchools Training

If you're interested in taking any of these courses on-line, please contact **SIP** for a username at **safeschools@sip.ca**

1. **Back Injury & Lifting:** *Complete* — French • Lisa Yu • 17 min
2. **Password Security Basics** — Pete Just • 7 min
3. **General Safety Orientation** *(Nova Scotia)* — Nova Scotia Safety for Schools Committee • 23 min
4. **Joint Occupational Health & Safety Committee** *(Nova Scotia)* — Nova Scotia Safety for Schools Committee • 44 min
5. **Ladder Safety** *(Nova Scotia)* — Garry Alderich • 21 min
6. **Science Lab Safety** — French • Kirt Poulsen • 23 min
7. **Science Lab Chemical Spills** — French • Linda Stroud • 30 min
8. **Slips, Trips & Falls:** *Complete* — French • Vaughn & Sommer • 17 min
9. **Concussion Awareness: Athletics** — Brent George • 17 min
10. **Health Emergencies: Asthma Awareness** *(Ryan's Law)* — French • Carol Jones • 16 min
11. **Health Emergencies: Anaphylaxis** *(Sabrina's Law)* — French • Carol Jones • 14 min
12. **Students Mental Health** — Dr. Bonnie • 21 min
13. **SIP: Claims Lessons Learned from 20 Years** — SIP • 58 min
14. **Food Safety & Kitchen Sanitation** — Art Dunham • 14 min
15. **Arson Awareness & Prevention** — George Phelps • 22 min
16. **Bullying: Recognition & Response:** *Complete* — French • Gergin & Roher • 44 minutes
17. **Making Schools Safe for LGBT Students** — Mattice & Meyer • 20 min
18. **Playground Supervision** — Susan Hudson • 16 min
19. **Self-Injury and Cutting** — Dr. Scott Poland • 18 min
20. **Sport Supervision & Safety** — Dr. Charles LeRoy • 22 min
21. **Crossing Guard Safety** — Staff • 11 min
22. **Defensive Driving** — French • Patrick Fitzpatrick • 18 min
23. **Defensive Driving** — Patrick Fitzpatrick • 11 min
24. **Van Safety** — Staff • 21 min
25. **Winter Driving** — Patrick Fitzpatrick • 15 min
26. **Classroom Safety** *(Nova Scotia)* — Nova Scotia Safety for Schools Committee • 15 min

SafeSchools is another value added service of **SIP.** Their training courses are specifically designed for school employees. The courses are all authored by school experts and are available from any internet appliance – computers, iPads and even smart phones with internet acccess.

In Memoriam

Betty Diane McRae
October 13, 1948 – August 12, 2018

Betty Diane McRae, aged 69 of Dartmouth, passed away August 12, 2018 at Dartmouth General Hospital. Born in Truro, she was the daughter of the late Eric and Luella (McFadden) McRae. She is survived by daughter Tara Burke; two brothers, Randy (Heather) McRae and Bruce McRae; granddaughter Amelia and nephew Scott. Predeceased by her parents and ex-husband Brian MacPhee.

Diane passed away unexpectedly August 12 surrounded by loved ones. Diane had a wonderful life full of adventure, family and friends. She was born in Truro, Nova Scotia and was the daughter of Luella McFadden and Eric McRae. In her early years she grew up in Truro and Bible Hill with her two brothers, Randy and Bruce. She travelled extensively throughout Canada and the British Isles and enjoyed sharing these memories. She had many passions including music, art, comedy and theatre.

She had a successful 35 year career in the insurance and risk management industry with the Nova Scotia School Insurance Exchange, where she proudly worked as the CEO. Her passion and commitment to the program were evident to everyone she worked with throughout her extensive career. Diane obtained her MBA from St. Mary's University and also received her Certified Risk Manager (CRM) designation. She was a member of the Canadian Insurance Institute of Canada and The Canadian Risk Management Society.

The pride and joy she felt for the close relationship with her daughter Tara and her granddaughter, Amelia were undeniable. She was a gentle, kind-hearted person and will forever be remembered for her fun-loving nature, quick wit and unique sense of humor. She was a devoted lover of animals, particularly concerned with the welfare of dogs and cats. She will live forever in the hearts and memories of those fortunate enough to have known her.

Staff Members

Lee-Anne Dauphinee CIP CRM
Risk Manager

lee-anne.dauphinee@sip.ca
Office 902.480.**2171**
Cell 902.452.6173

Lee-Anne provides risk management, loss control, and insurance purchase and renewal service to **SIP** subsribers.

Rebekah Tingley
Risk Management Assistant

rebekah.tingley@sip.ca
Office 902.480.**2172**
Cell 902.830.2178

Rebekah assists the Risk Manager and answers enquiries about school trips and activities.

Cindy Norrad CPA CGA CRM
Controller

cindy.norrad@sip.ca
Office 902.480.**2177**
Cell 902.499.0426

Cindy manages the finances of **SIP** and is also involved in procurement.

Valencia Forrest
Claims Assistant

valencia.forrest@sip.ca
Office 902.480.**2174**
Cell 902.229.3262

Valencia manages claims, the student accident program and handles certificate of insurance requests.

Meagan Spicer
Claims Assistant

meagan.spicer@sip.ca
Office 902.480.**2110**
Cell 902.430.9781

Meagan manages claims, the student accident program, and handles certificate of insurance requests.

Dawn Graves
Administrative Assistant

dawn.graves@sip.ca
Office 902.480.**2178**
Cell 902.719.7008

Dawn provides administrative support to the office staff and works closely with the Chief Executive Officer.

SIP School Insurance Program

24/7 Emergency 902.448.2840

Office Information

Reception	902.480.2170
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Fax	902.480.2179
Email	mail@sip.ca

www.sip.ca

Board of Directors

2018–2019

Janine Saulnier *Chair*
Conseil scolaire acadien provincial

William "Bill" Strubank *Vice Chair*
Nova Scotia Community College

Trevor Cunningham
Tri-County Regional
Center for Education

Chris Grover
Straight Regional
Centre for Education

David Jones
Annapolis Valley Regional
Centre for Education

Paul Oldford
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Centre for Education

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South Shore Regional
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Herb Steeves
Chignecto-Central Regional
Centre for Education

Terri Thompson
Halifax Regional
Centre for Education