



THE CORPORATION  
OF  
THE TOWN OF HALTON HILLS

**Resolution No.:**

**Title:** Escalating Insurance Costs

**Date:** October 4, 2021

**Moved by:** Mayor R. Bonnette

**Seconded by:** Councillor M. Johnson

**Item No.**

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**WHEREAS** municipal liability insurance premiums continue to increase significantly due to a variety of global factors, catastrophic losses due to climate change, mounting legal bills to defend lawsuits, rising costs of future care for critical injury payouts, the impacts of Joint and Several Liability on municipalities and the on-going world-wide economic uncertainty resulting from the COVID-19 pandemic.

**AND WHEREAS** insurers are exiting high risk areas of the insurance market resulting in the inability for municipalities to obtain excess indemnity insurance coverage for WSIB.

**AND WHEREAS** the Association of Municipalities of Ontario (AMO) has previously outlined seven recommendations that would address some of the above insurance issues including:

1. The provincial government adopt a model of full proportionate liability to replace joint and several liability.
2. Implement enhancements to the existing limitations period including the continued applicability of the existing 10 day rule on slip and fall cases given recent judicial interpretations, and whether a 1-year limitation period may be beneficial.
3. Implement a cap for economic loss awards.
4. Increase the catastrophic impairment default benefit limit to \$2 million and increase the third-party liability coverage to \$2 million in government

- regulated automobile insurance plans.
5. Assess and implement additional measures which would support lower premiums or alternatives to the provision of insurance services by other entities such as non-profit insurance reciprocals.
  6. Compel the insurance industry to supply all necessary financial evidence including premiums, claims and deductible limit changes which support its, and municipal arguments as to the fiscal impact of joint and several liability.
  7. Establish a provincial and municipal working group to consider the above and put forward recommendations to the Attorney General.

**AND WHEREAS** the municipality has now reached the point where insurance premium increases and the added burden of self-insuring for WSIB can no-longer be funded by taxpayers through a reasonable annual tax rate increase, without an impact to the delivery of existing services.

**AND WHEREAS** the municipality's total annual cost of liability insurance premiums has grown by \$1 million over a five-year period, which represents a percentage increase of approximately 258% over that same time frame.

**AND WHEREAS** the municipality is projecting annual liability insurance premiums to reach \$1.64 million in 2022.

**AND WHEREAS** the municipality needs to set aside an additional \$2 million over the next 5 years to ensure adequate reserves are on hand to assume the risk of potentially large claims being awarded to injured or ill staff.

**AND WHEREAS** the municipality needs to increase its annual budget by \$618,000 in 2022 to recover the 2021 budget shortfall and, also have adequate funding for the expected 2022 liability premiums.

**AND WHEREAS** the total 2022 impact on the municipality's operating budget for the combined impacts of liability insurance premium increases and WSIB self-insurance is \$843,000.

**AND WHEREAS** the municipality believes that a working group consisting of Provincial and Municipal representatives should be established to work with legal and insurance stakeholders to consider the recommendations proposed by AMO and create a workable risk management solution and furthermore enact reforms throughout the insurance industry.

**THEREFORE BE IT RESOLVED THAT** Council call on the Honourable Doug Ford, Premier of Ontario to establish a working group to consider the recommendations proposed by AMO, craft a workable risk management solution for municipalities and implement reforms within the Insurance Industry.

**AND FURTHER THAT** Council request the Province of Ontario provide municipalities with appropriate grant funding until such time as there are adequate reforms within the insurance industry to alleviate the burden upon the municipal tax payer.

**AND FURTHER THAT** Council send a copy of this resolution to the Honourable Doug Ford, Premier of Ontario, the Honourable Peter Bethlenfalvy, Minister of Finance, the Honourable Doug Downey, Attorney General of Ontario, the Honourable Ted Arnott, MPP Wellington-Halton Hills, AMO, Ontario Good Roads Association, the Small Urban GTHA Mayors, Halton Region, Town of Milton, Town of Oakville and the City of Burlington.

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Mayor Rick Bonnette