



OCT 17 2013

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OCT 11 2013

Ms. Monique Taylor, MPP
Hamilton Mountain
Room 157, Main Legislative Building, Queen's Park
Toronto, Ontario
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Mr. Paul Miller, MPP
Hamilton East-Stoney Creek
Room 169, Main Legislative Building, Queen's Park
Toronto, Ontario
M7A 1A5

Dear Ms. Taylor and Mr. Miller:

Thank you for your letter regarding taxi insurance in the Hamilton area.

I recognize the importance of having taxi insurance for the owners and drivers of taxi cabs in the Hamilton area and the rest of the province. With the recent withdrawal of a taxi insurance program offered by one insurer, the government has been active in identifying the issues and working with the parties involved on possible remedies.

Since the beginning of the year, the Financial Services Commission of Ontario (FSCO) has been actively monitoring and meeting with insurance industry representatives on this issue. A working group of FSCO's Insurance Availability Committee involving representatives from insurers and insurance brokers met in February and May of this year to review and discuss this issue. In May and June, FSCO also met with and participated in conference calls with representatives from the Hamilton taxi industry to discuss possible solutions. FSCO also made a presentation to the Standing Committee on General Government on May 13, 2013, on taxi insurance.

Under current legislation, FSCO does not review or approve the rates used by fleets which insure many taxis. Rates for public vehicles, which include taxis, buses and limousines, insured on individual contracts are filed with FSCO but not subject to the same rate approval process as for private passenger vehicles. Auto insurance for taxis is traditionally more expensive than personal auto insurance due to longer driving times and the higher risk of collisions. As a result, this is a more specialized area of insurance with a limited number of insurers.

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I have asked my staff and FSCO to continue to work and meet with representatives of the insurance industry and taxi industry to help find viable marketplace solutions for the drivers and owners of taxis in Hamilton.

Thank you again for bringing this issue to my attention.

Sincerely,

A handwritten signature in black ink, appearing to read 'Charles Sousa', written in a cursive style.

Charles Sousa
Minister

c: His Worship Bob Bratina, Mayor, City of Hamilton
Philip Howell, CEO and Superintendent of Financial Services