

---

**From:** Taylor, Sheree L.  
**Sent:** August 26, 2011 2:50 PM  
**To:** Riley, Susan  
**Subject:** FW: AMO Breaking News

---

**From:** communicate@amo.on.ca [mailto:communicate@amo.on.ca]  
**Sent:** August 26, 2011 12:57 PM  
**To:** clerk@hamilton.ca  
**Subject:** AMO Breaking News

**TO THE IMMEDIATE ATTENTION OF THE CLERK AND COUNCIL**

August 26, 2011

**AMO's 2011 Municipal Insurance Survey Results**

The Association of Municipalities of Ontario has completed the first ever comprehensive survey of municipal insurance costs across the Province. The survey reveals that since 2007, liability premiums have increased by 22.2% and are among the fastest growing municipal costs. Total 2011 Ontario municipal insurance costs are \$155.2 million. Liability premiums make up the majority of these expenses at \$85.5 million. Property taxpayers are paying this price.

The survey was prompted by anecdotal reports of rising insurance costs. It sought to quantify, in part, some of the costs associated with joint and several liability in the provincial *Negligence Act*. It does not include legal fees, self-insurance costs, settlements, risk management expenses or court mandated awards. Based on current trends, insurance costs alone will rise to \$180 million annually by 2015. The survey results highlight many other findings including:

- Per capital cost differential: \$37.56 per capita insurance costs for taxpayers living in communities under 10,000 in population; \$7.71 per capita in communities with over 75,000 in population;
- A family of five, living in a modest home, in a small community pays an annual tax bill of \$3,010. Fully \$200 of their tax dollars are being used for municipal insurance coverage; and
- In one southern county, for every \$2 spent on snow plowing roads, another \$1 is spent on insurance.

The insurance premiums paid by municipalities reflect the legal reality that municipalities are "deep pocket" defendants, often targeted for litigation because the law has established such a low threshold of responsibility. Just a fraction of fault can cost a municipality millions of dollars. The premiums charged by insurance companies, non-profit insurance reciprocals and pools reflect, in part, this legal risk.

Continued advocacy by municipalities is needed to help change this legal environment and explore alternatives such as proportionate liability. Many common law jurisdictions have pursued proportionate liability in the face of rising costs and this inequitable burden. It is time for Ontario to do the same. Watch for how the provincial political parties respond to our call for legislative change on our [provincial election website](#) and the materials we will push out to you on any election related developments.

Downloads available:

- The Cost of Risk and the Risk of Cost presentation adapted from the 2011 AMO Conference concurrent session
- Municipal Insurance Survey Results
- AMO's joint and several liability paper

For more information, please contact Matthew Wilson, Senior Policy Advisor at [mwilson@amo.on.ca](mailto:mwilson@amo.on.ca) or by phone at 416-971-9856 extension 323.

**PLEASE NOTE** AMO Breaking News will be broadcast to the member municipality's council, administrator and clerk. Recipients of the AMO broadcasts are free to redistribute the AMO broadcast to other municipal staff as required. We have decided to not add other staff to these broadcast lists in order to ensure accuracy and efficiency in the management of our various broadcast lists.

**DISCLAIMER** These are final versions of AMO documents. AMO assumes no responsibility for any discrepancies that may have been transmitted with the electronic version. The printed versions of the documents stand as the official record.