



**KENORA DISTRICT MUNICIPAL ASSOCIATION**

**SUBJECT:** Rising Municipal Liability and Insurance Costs

**SUBMITTED BY:** The City of Dryden

**YEAR:** 2021

**BACKGROUND:** Municipal insurance rates are rising at an unsustainable rate due to joint and several liability and The Negligence Act.

**RECOMMENDATION:**

WHEREAS The Negligence Act indicates that a person injured by two or more wrongdoers may collect full damages from one of the wrongdoers, regardless of the proportion of their liability; and

WHEREAS due to the high value of severe injuries, the limits of insurance coverage on an automobile insurance policy is generally not enough to satisfy the judgement, resulting in the municipality's insurer having to pay the balance, even if the municipality is only 1% liable; and

WHEREAS regulatory changes to the Statutory Accident Benefit Schedule have reduced maximum benefits available for "catastrophically impaired" claims from \$2 million to \$1 million, likely resulting in municipalities seeing an increase in the frequency of joint and several liability claims that would cause municipal insurance premiums to increase even further; and

WHEREAS the City of Dryden has seen an average annual increase of 10% in insurance premiums from 2018 to 2021 with further increases expected and many other municipalities across Ontario are seeing similar or much higher insurance premium increases due to joint and several liability,

NOW THEREFORE BE IT RESOLVED that the Kenora District Municipal Association supports the City of Dryden's request for the Attorney General to take immediate steps to support AMO's recommendations to reform joint and several liability by introducing modified proportionate liability and provide for uniform limitation periods while maintaining a separate limitation period for municipalities.

**COMMITTEE ACTION  
CONVENTION ACTION**

**Concurrence Carried February 18<sup>th</sup>  
Concurrence Carried February 18<sup>th</sup>**

A handwritten signature in blue ink, appearing to read "K. Kahoot", is written over a horizontal line.

**Kevin Kahoot  
President Executive Committee  
February 18<sup>th</sup> 2021**

**Resolution #2021-07**

