

Request for Decision United Townships of Head, Clara & Maria Council

Type of Decision									
Meeting Date	Friday, March 28, 2014				Report Date	Wednesday, March-26-14			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	X	Information Only			Type of Meeting	X	Open		Closed

Joint and Several Liability Insurance Alternatives- Report #28/03/14/1104

Subject:

Resolution of support for one of the three models being proposed to resolve the issue of unfair liability in insurance cases where municipalities are involved.

RECOMMENDATION:

That Council adopt the following resolution in support of the Combined model of amendment to the current joint and several liability insurance scheme.

WHEREAS the current joint and several liability insurance scheme has the potential to result in a municipality (or any insured) becoming up to 100% liable for damages awarded when co-defendant's are insolvent and unable to pay damages even when the municipality may only be 1% liable;

AND WHEREAS the provincial government has been lobbied for some time to reform this legislation which it is finally doing;

THEREFORE BE IT RESOLVED THAT the Council of the United Townships of Head, Clara & Maria does hereby support the positions of the Association of Municipalities of Ontario and the Ontario Good Roads Association in recommending to the province that the preferred option would be to completely eliminate joint and several liability but failing to do that "The Combined model" be adopted to alleviate pressure currently put upon municipalities known as the "deep pocket syndrome".

BACKGROUND/EXECUTIVE SUMMARY:

As a follow up from previous resolutions of support. During February's meeting Council passed a resolution in support of MPP Randy Pettapiece's motion in provincial legislature to amend Joint and Several Liability Insurance. This resolution was presented along with approximately 187 others to provincial parliament resulting in a promise to make changes.

The Ministry is considering three models of reform and are requesting input from municipalities. The three models suggested are defined in the attached information from AMO and OGRA.

Both of these organizations support the eventual elimination of Joint and Several Liability Completely but recognize the “Combined Model” as a good first step.

Financial Considerations/Budget Impact:

Reform would have significant financial benefits in the event of being sued and found at fault.

Policy Impact:

Others Consulted/Resources/Sources:

Letter from MPP Randy Pettapiece
AMO Communications piece
OGRA Heads Up Alert

Approved and Recommended by the Clerk

Melinda Reith,
Municipal Clerk