

THAT plate holders who have replaced 2005 vehicles based on current by-law requirements, specific to Section 14.9 of 137-2007, from January 1, 2012 to June 22, 2012 **BE ALLOWED** 1 extra year on those particular vehicles. By example, if the replacement vehicle was a 2010, that vehicle would not have to come off the road by August 31, 2018 as it would be granted an extension to August 31, 2019 (as long as it meets the vehicle standards of the by-law).

III. THAT, Public Vehicle Licensing By-Law 137-2007, Schedule 5 **BE AMENDED** by deleting:

“17.1 (b) for each taxicab or taxicab wheelchair accessible vehicle, liability coverage in the amount of not less than THREE MILLION DOLLARS (\$3,000,000.00) for personal injury or property damage arising out of any one accident or occurrence;”

And replacing it with:

“17.1 (b) for each taxicab or taxicab wheelchair accessible vehicle, automobile liability coverage in the amount of not less than TWO MILLION DOLLARS for personal injury or property damage arising out of any one accident or occurrence;” and further

IV. THAT By-law 79-2012 *attached* as Appendix B **BE ADOPTED** by Council at the time of consideration.

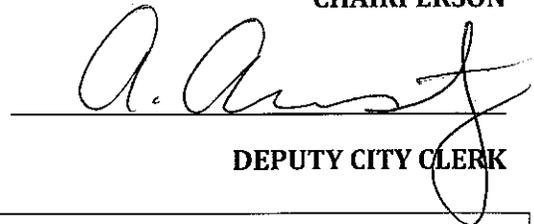
Carried.

Clerk's Note: Report No. 149 of the Windsor Licensing Commission (Taxi Vehicle – Safety Certificates, Age Limit, Insurance) is attached as background information.

Livelinek #16044



CHAIRPERSON



DEPUTY CITY CLERK

NOTIFICATION :				
Name	Address	Email Address	Telephone	FAX
See notification in report				



PUBLIC SAFETY STANDING COMMITTEE

REPORT NO. 149 of the
WINDSOR LICENSING COMMISSION
of its meeting held July 18, 2012

Present: Councillor Ron Jones, Chairperson
Councillor Drew Dilkens
Councillor Percy Hatfield
Councillor Ed Sleiman
Jack Fathers

That the following recommendation of the Windsor Licensing Commission **BE**

APPROVED:

- I. Moved by Councillor Sleiman, seconded by Councillor Dilkens,
THAT Public Vehicle Licensing By-Law 137-2007, Schedule 5 **BE AMENDED** by:
- deleting Section 4.1 (e)
 - deleting Section 14.2
 - deleting Section 14.1 (a) and REPLACING it with the following: “(a) at Vehicle Standards Inspection Lane. The safety standards certificate shall be dated no more than 36 days prior to the date of an inspection.”
 - adding the following definition to Part I: “Vehicle Standards Inspection Lane” means an inspection period, the dates and times as established by the Licence Commissioner, during which inspectors or compliance officers examine vehicles to ensure compliance with this By-Law.”; and further
- II. THAT Public Vehicle Licensing By-Law 137-2007, Schedule 5 **BE AMENDED** by deleting:

“14.9 No vehicle more than seven (7) years old shall be used as a taxicab in the City. By example, August 31, 2009 means the model year is 2009. By further example, a current taxicab vehicle that is more than seven (7) years old on August 31, 2009 i.e. 2002 or older taxicabs would have to be taken out of service. (Added By-law 152-2010 dated September 27, 2010)”

And replacing it with:

“14.9 No vehicle more than 8 years old shall be used as a taxicab in the City. By example, August 31, 2012 means the model year is 2012. By further example, a current taxicab vehicle that is more than 8 years old on August 31, 2012 i.e. 2004 or older taxicabs would have to be taken out of service.”; and further

THAT plate holders who have replaced 2005 vehicles based on current by-law requirements, specific to Section 14.9 of 137-2007, from January 1, 2012 to June 22,

2012 **BE ALLOWED** 1 extra year on those particular vehicles. By example, if the replacement vehicle was a 2010, that vehicle would not have to come off the road by August 31, 2018 as it would be granted an extension to August 31, 2019 (as long as it meets the vehicle standards of the by-law).

III. THAT, Public Vehicle Licensing By-Law 137-2007, Schedule 5 **BE AMENDED** by deleting:

“17.1 (b) for each taxicab or taxicab wheelchair accessible vehicle, liability coverage in the amount of not less than **THREE MILLION DOLLARS (\$3,000,000.00)** for personal injury or property damage arising out of any one accident or occurrence;”

And replacing it with:

“17.1 (b) for each taxicab or taxicab wheelchair accessible vehicle, automobile liability coverage in the amount of not less than **TWO MILLION DOLLARS** for personal injury or property damage arising out of any one accident or occurrence;”; and further

IV. THAT By-law ____-2012 *attached* as Appendix B **BE ADOPTED** by Council at the time of consideration.

NOTE: The report of the Supervisor of Licensing /Deputy Licence Commissioner dated June 26, 2012 entitled “Taxi Vehicle – Safety Certificates, Age Limit, Insurance” is *attached*. Additional information submitted by Walter Bezzina, Veteran Cab, is also *attached*.

Livelinek #16044

CHAIRPERSON

SECRETARY

THE CORPORATION OF THE CITY OF WINDSOR
Office of the City Clerk – Policy, Gaming & Licensing



MISSION STATEMENT:

"The City of Windsor, with the involvement of its citizens, will deliver effective and responsive municipal services, and will mobilize innovative community partnerships"

LiveLink FILE #: 16044	Report Date: June 26, 2012
Author's Name: Michael Chantler, Supervisor of Licensing/Deputy Licence Commissioner	Date to Commission: July 18, 2012
Author's Phone: 519 255-6100, Ext. 6869	Classification #:
Author's E-mail: mchantler@city.windsor.on.ca	

TO: Windsor Licensing Commission

SUBJECT: Taxi Vehicle – Safety Certificates, Age Limit, Insurance

1. RECOMMENDATION: City Wide: Ward(s): _____

I. THAT Public Vehicle Licensing By-Law 137-2007, Schedule 5 BE AMENDED by:

- deleting Section 4.1 (e)
- deleting Section 14.2
- deleting Section 14.1 (a) and REPLACING it with the following: "(a) at Vehicle Standards Inspection Lane. The safety standards certificate shall be dated no more than 36 days prior to the date of an inspection."
- adding the following definition to Part I: "Vehicle Standards Inspection Lane" means an inspection period, the dates and times as established by the Licence Commissioner, during which inspectors or compliance officers examine vehicles to ensure compliance with this By-Law."; and further

II. THAT Public Vehicle Licensing By-Law 137-2007, Schedule 5 BE AMENDED by deleting:

"14.9 No vehicle more than seven (7) years old shall be used as a taxicab in the City. By example, August 31, 2009 means the model year is 2009. By further example, a current taxicab vehicle that is more than seven (7) years old on August 31, 2009 i.e. 2002 or older taxicabs would have to be taken out of service. (Added By-law 152-2010 dated September 27, 2010)"

And replacing it with:

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taxicab vehicle that is more than 8 years old on August 31, 2012 i.e. 2004 or older taxicabs would have to be taken out of service.”; and further

THAT plate holders who have replaced 2005 vehicles based on current by-law requirements, specific to Section 14.9 of 137-2007, from January 1, 2012 to June 22, 2012 **BE ALLOWED** 1 extra year on those particular vehicles. By example, if the replacement vehicle was a 2010, that vehicle would not have to come off the road by August 31, 2018 as it would be granted an extension to August 31, 2019 (as long as it meets the vehicle standards of the by-law).

III. THAT, Public Vehicle Licensing By-Law 137-2007, Schedule 5 BE AMENDED by deleting:

“17.1 (b) for each taxicab or taxicab wheelchair accessible vehicle, liability coverage in the amount of not less than THREE MILLION DOLLARS (\$3,000,000.00) for personal injury or property damage arising out of any one accident or occurrence;”

And replacing it with:

“17.1 (b) for each taxicab or taxicab wheelchair accessible vehicle, automobile liability coverage in the amount of not less than TWO MILLION DOLLARS for personal injury or property damage arising out of any one accident or occurrence;”; and further

IV. THAT By-law _____-2012 attached as Appendix B **BE ADOPTED** by Council at the time of consideration.

EXECUTIVE SUMMARY: N/A

2. BACKGROUND:

The Policy, Gaming & Licensing Department and the By-Law Enforcement Unit expend considerable resources regulating the taxi industry through Public Vehicle Licensing By-Law #137-2007. Sections of the by-law relevant to this report are *attached* for reference as **Appendix A**. Although legislation is static, changes in the industry arise from time to time that require discussion and may lead to recommendations in reviewing particular sections of our by-laws. An extensive review of this particular by-law was undertaken in 2006 including hiring an independent consulting firm who produced a report known as the BMA Study. Numerous recommendations were presented to Council and the final result was the by-law being passed on July 16, 2007. In an ongoing effort to stay current and provide applicable solutions as issues arise, the Licence Commissioner has implemented quarterly meetings with stakeholders to confer over issues affecting the taxi industry and, in turn, the regulation and enforcement of the existing by-law. In one such recent meeting, the group identified several issues for review. City administration, through consultation with the stakeholders, believes that three particular topics should be given priority – Safety Certificate Requirements, Vehicle Age Limits and Insurance Requirements.

3. DISCUSSION:

Safety Standards Certificate Requirements

The current by-law requires that plate holders submit a Safety Standards Certificate ("safety") for their taxi cab vehicle annually during the licence renewal period, prior to the August 31 deadline. Historically, safeties were also taken at Spring and Fall Safety Lane Inspections (now called Vehicle Standards Inspection Lanes), however these two instances are not mandated by the by-law and are discretionary. For the last 2 years, the Licence Commissioner exercised discretion and waived the requirement for a safety at the Fall Safety Lane as it was only 2 months after the August renewal and each vehicle already had a safety on file from the recent renewal application process. Therefore it seemed redundant to ask for another safety after such a short period of time. After discussions with the industry stakeholders, it seems to make more sense for all parties involved, to require safeties at the spring and fall inspections and to remove the current by-law requirement to submit a safety during the August licence renewal period. It is prudent to note that Section 14.1 (b) provides the Licence Commissioner with the authority to request a safety at any time. An example of this would be in the case of a vehicle replacement or when a plate is transferred and the new vehicle is presented for inspection.

Vehicle Age Limits

The current by-law states that vehicles over 7 years are not to be used as taxicabs in the City of Windsor. That means that any vehicle currently in use as a taxi cab that is a 2005, must be off the road by August 31, 2012. At the time of the writing of this report, there are 33 vehicles facing this deadline. Extending the vehicles for 1 year would provide relief to an industry that has not recovered since an economic downturn coupled with a 2009 work stoppage at one of the largest providers in the industry. Several plate holders have indicated that they are not in a financial position to replace their vehicles and the result would be a number of plates being removed and the vehicles being taken out of service. A direct result would be loss of employment for several drivers. Additionally, if vehicles are taken out of service for an extended period of time, numerous plate revocations reports would have to be drafted by administration and then forwarded to the Windsor Licensing Commission for consideration. Lastly, and most importantly, service to the citizens of Windsor and visitors to our region may suffer from a shortage of available taxicabs as the number of vehicles in question represents approximately 15% of the vehicles on the road.

Vehicle age limits for taxis range from 6 to 10 years throughout municipalities across Ontario. Ottawa has recently amended their by-law to allow 8 year old vehicles on their roads, extended from 7 years previously. Amending the City of Windsor by-law to allow taxi vehicles to remain in service for 8 years does not prevent By-Law Enforcement from removing any vehicle from the road that an Officer identifies as being unsafe or sub-standard.

It was brought to administration's attention that there were a couple of cases where vehicles have already been replaced in order to comply with the upcoming deadline. In order to be fair with these owners, those particular vehicles will be identified and tracked by licensing. They will be allowed an additional year of service assuming that they are still compliant with by-law standards.

Insurance Requirements

The current by-law requires liability coverage in the amount of three million dollars. CAW Local 195 union representatives, a broker and a number of drivers have expressed that they can quite readily acquire two million dollars in coverage at a reasonable price from their local

insurance brokers, but the additional one million in coverage causes them hardship due to the fact that they have to pay an additional \$750-800 for the additional million.

A review of municipalities across the province of Ontario (Burlington, Oakville, London, Waterloo, Hamilton, Mississauga, Thunder Bay and Brampton) reveals that the vast majority require two million dollars in liability coverage. Brampton requires only one million.

The City of Windsor's Risk Management Department has reviewed the current insurance requirement. The higher the auto insurance limits are, the more money that is available to a potential claimant in the event of a loss caused or contributed to by the taxi owner. A claimant can include taxi passengers, a driver or passenger of another vehicle, or anyone injured as a result of the use or operation of the taxi. The greater the number of claimants injured in one accident results in less insurance money available to compensate each claimant for their loss. It is not uncommon to have a taxi carry at least four passengers. A typical personal auto insurance policy will have limits of one to two million dollars. In the event of a catastrophic accident, not one million, two million, or three million dollars may suffice, and the owner would be personally responsible on a joint and several basis with any other at-fault parties for the remainder of any money that may be owing to a claimant. It is ultimately up to the owner of the vehicle to obtain insurance in amounts he/she feels comfortable with, and that he/she feels will adequately cover his/her risk exposure.

The 2006 BMA study reviewed the practice of Hamilton, Ottawa, Mississauga, Vancouver, London, and Niagara. At that time, each municipality required minimum limits of two million dollars. The only municipality reviewed that did not have such limits was Oshawa, which only required one million dollars. The study noted that Hamilton previously required limits of no less than five million dollars, but due to taxicab owners having difficulty finding insurance companies willing to provide this level of coverage; it reduced the requirement to two million dollars. The BMA study recommended that the City of Windsor require two million dollars in coverage. The City of Windsor's Risk Management Department agrees that two million dollars in coverage is a reasonable minimum requirement, but for their own benefit, would encourage taxi owners to consider higher limits, as may be feasible.

4. RISK ANALYSIS:

Operationally, there is little risk to the corporation as By-Law Enforcement continues to oversee two Vehicle Standards Inspection Lanes per year for all vehicles. If there are questions or concerns about the condition of any vehicle, it can be removed from service. With regard to mechanical fitness of the vehicles, the by-law amendment in Recommendation #1 is mandating that two safeties be submitted annually from a professional mechanic duly licensed by the Province of Ontario. The change to the by-law will mean that two mechanical inspections take place per year, rather than only one mandatory submission and discretionary requests for safeties that have historically been waived. Bi-annual vehicle safety standards certificates and inspections by the By-Law Enforcement Unit will improve the likelihood that all vehicles will be maintained in good condition throughout the year and that all requirements of the by-law are met. This change exceeds the previous recommendation of the BMA Study, which recommends a minimum of two mandatory safety certificates for all vehicles four model years or older.

From a liability perspective, the risk of loss is taken on almost entirely by the insured on the vehicle. There are limited instances where circumstances could reasonably give rise to a

claimant claiming against both the vehicle owner and the City of Windsor. In those instances, less insurance available from the vehicle owner means the potential for more City funds to contribute to a settlement or judgment, provided there was liability on the City's part. While this situation is a possibility, it is rare that both the City and vehicle owner would both be implicated and that a damage award would exceed two million dollars.

5. FINANCIAL MATTERS:

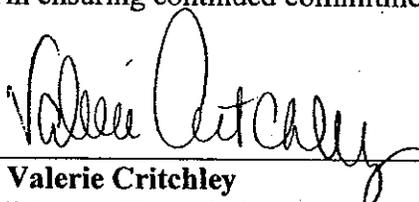
The proposed Public Vehicle Licensing By-Law 137-2007 changes outlined in the Recommendation section do not have a financial impact to the Licensing Department or the By-Law Enforcement Unit. Administering the Vehicle Standards Inspection Lane program is an ongoing operational item that exists in the By-Law Enforcement budget.

6. CONSULTATIONS:

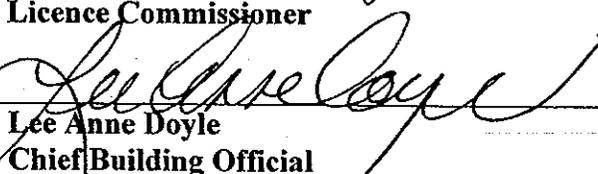
Mike Dunning, CAW Local 195
Haidar Aouli, Driver's Union President
Stuart Caverhill, Gerry's Windsor Taxi
Walter Bezzina, Veteran Cab Company
Ann Kalinowski, Manager of By-Law Enforcement – City of Windsor
Dana Paladino, Risk Management – City of Windsor
George Wilkki, City Solicitor
Sonia Bajaj, Finance – City of Windsor

7. CONCLUSION:

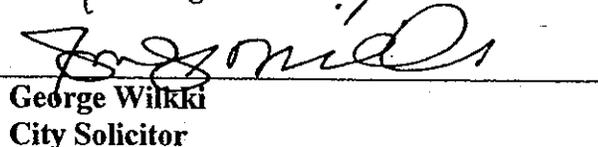
Administration supports the proposed recommendations to amend the existing by-law. Administration is acutely aware of the economic conditions in this industry and these changes will assist the drivers, plateholders and brokers. The suggested regulations are consistent with other municipalities in the province and support our continued efforts to work with the stakeholders in the taxi industry. These recommended changes will also assist the taxi industry in ensuring continued commitment and service to the community and visitors.



Valerie Critchley
Licence Commissioner



Lee Anne Doyle
Chief Building Official



George Wilkki
City Solicitor

**APPENDICES: Appendix A – Relevant sections of By-Law 137-2007
Appendix B – By-Law _____ -2012**

DEPARTMENTS/OTHERS CONSULTED:

Name:

Phone #: 519 Ext.

NOTIFICATION :

Name	Address	Email Address	Telephone	FAX
Mike Dunning – CAW Local 195	3400 Somme Ave. Windsor, ON N8W 1V4	finance@cawlocal195.com	519-253-1107	519-258-4618
Walter Bezzina – Veteran Cab Company	350 Tuscarora Ave. Windsor, ON N9A 3L7	wbezzina@vetscab.com	519-256-1868	519-256-0297
Stuart J. Caverhill – Gerry's Windsor Taxi	12222 Tecumseh Rd. Tecumseh, ON N8N 1L9		519-735-3531	519-735-6217
Syed Zahid – 1339517 Ontario Ltd. o/a Windsor Cab	3165 Sandwich Ave Unit 5 Windsor, ON N9C 1A7		519-978-2000	519-977-1900
Jay Abdourahman – Canadian Checker Cab	506 Hanna St. E. Windsor, ON N8X 2N6		519-253-5166	519-253-6907
Haidar Aouli, Chairperson CAW 195		haidaraouli@hotmail.com	519-796-9446	

Relevant sections of By-Law 137-2007

Section 4.1 No taxicab plate or taxicab wheelchair accessible vehicle plate and associated taxicab or taxicab wheelchair accessible vehicle plate holder licence shall be issued under this By-law until the following requirements have been met:

- (e) the applicant shall file with the Licence Commissioner a safety standards certificate issued within thirty (30) days of the date of the applicant's application; and,"

Section 14.2

"Every taxicab or taxicab wheelchair accessible vehicle that is more than 4 years old, with the model year counted as the first year and the current year counted as the last year, shall submit a safety standards certificate to the Licence Commissioner six (6) months after a licence is issued upon the renewal of the licence, dated within thirty (30) days of a City inspection of the taxicab or taxicab wheelchair accessible vehicle."

Section 14.1

"Every taxicab and taxicab wheelchair accessible plate holder shall submit the taxicab or taxicab wheelchair accessible vehicle for examination by a certified mechanic duly licensed by the Province of Ontario and provide a safety standards certificate to the Licence Commissioner:

- (a) upon renewal of the taxicab and taxicab wheelchair accessible plate holder licence, which safety standards certificate shall be dated no more than thirty (30) days prior to the renewal date; and,
- (b) at any other time as the Licence Commissioner may require."

BY-LAW NUMBER 2012

A BY-LAW TO AMEND BY-LAW 137-2007,
BEING A BY-LAW RESPECTING THE
LICENSING AND REGULATING OF PUBLIC
VEHICLES

Passed the 11th day of, 2012.

WHEREAS administration was directed by M-2012 to amend By-law Number 137-2007, being a By-law respecting the licensing and regulating of public vehicles, passed the 16th day of July, 2007;

THEREFORE the Council of the Corporation of the City of Windsor enacts as follows:

1. That By-law Number 137-2007 be and the same is hereby amended as follows:
 - (a) deleting Section 4.1 (e) of Schedule 5
 - (b) deleting Section 14.2 of Schedule 5
 - (c) deleting Section 14.1 (a) of Schedule 5 and replacing it with the following:

“(a) at the Vehicle Standards Inspection Lane. The safety standards certificate shall be dated no more than 36 days prior to the date of the inspection.”
 - (d) adding the following definition to PART I: DEFINITIONS:

“Vehicle Standards Inspection Lane” means an inspection period, the dates and times as established by the Licence Commissioner, during which inspectors or compliance officers examine vehicles to ensure compliance with this By-Law.”
 - (e) deleting Section 14.9 of Schedule 5 and replacing it with the following:

“14.9 No vehicle more than 8 years old shall be used as a taxicab in the City. By example, August 31, 2012 means the model year is 2012. By further example, a current taxicab vehicle that is more than 8 years old on August 31, 2012 i.e. 2004 or older taxicabs would have to be taken out of service.”
 - (f) by deleting Section 17.1 (b) of Schedule 5 and replacing it with:

“17.1 (b) for each taxicab or taxicab wheelchair accessible vehicle, automobile liability coverage in the amount of not less than TWO MILLION DOLLARS for personal injury or property damage arising out of any one accident or occurrence;”
2. This by-law shall come into force and take effect on the day of the final passing thereof.

EDDIE FRANCIS, MAYOR

CLERK

First Reading -
Second Reading -
Third Reading -



CREGGAN
INSURANCE BROKERS INC.

3040 Universal Drive, Unit E
Mississauga, Ontario L4X 2C8
Tel: (905) 629-4649
Fax: (905) 629-9136

July 4th 2012

Veteran Taxi (Windsor)
350 Tuscarora St.
Windsor
N9A 3I7

Attention: Walter Bezzina,

RE: Excess Automobile Liability Insurance

Dear Mr. Bezzina,

In connection with your enquiry with respect to excess automobile liability insurance, we attach the following explanatory documents:

1. A newsletter issued by the Taxi and Limousine Drivers Association in April 2012 entitled "The Why's and Wherefores of Excess Automobile Liability Insurance"
2. A white paper "on cross border issues for Ontario based Taxi and Limousine Owners, Operators and Drivers" issued by the Taxi and Limousine Drivers Association in April 2012 updating a prior newsletter first issued during 2011.

Both documents make a strong case that prudent automobile insurance liability limits should be at least \$10 Million. Risk factors specific to the Windsor area specifically include the following:

- a) Many casinos specify minimum limits of not less than \$10 Million as a condition for granting permission to transport passengers to and from their place of business.
- b) Windsor based taxies would commonly enter the United States where legal liability risks are sufficient severity that many Canadian taxi insurers exclude cross border coverage. In addition 3 Ontario bordering states, including Michigan, operate under a "no fault" system for auto insurance where liability applies regardless of fault.

* Recent court awards in Ontario are an appropriate guide for the determination of prudent automobile liability insurance limits and recent awards have ranged between \$11.3 million and \$23.0 million in respect of accidents involving severe to catastrophic brain injury.

* For the above reasons, among others, Creggan Insurance Brokers recommends a minimum limit of \$10 Million for automobile liability insurance, particularly for US border area operators. Given an average annual cost of \$350.00 for \$8 Million excess of our standard \$2



creggan
INSURANCE BROKERS INC.

3040 Universal Drive, Unit E
Mississauga, Ontario L4X 2C8
Tel: (905) 629-4649
Fax: (905) 629-9136

Million primary automobile liability insurance limit, the cost benefit analysis strongly favours the additional liability protection.

If additional information is desired, we will be pleased to provide more at your request.

Yours truly,

Creggan Insurance Brokers Inc.

**Nesrin Ayoub, Registered Insurance Broker
Operations Manager**

The Whys and Wherefores of Excess Automobile Liability Insurance

Q1. Who prescribes the limits of liability insurance applicable to Taxis and Limousines?

A. Insurance requirements are generally regulated or prescribed by the following authorities or parties:

1. The Public Vehicles Act at Section 14 of Regulation 982 sets forth the regulatory requirements with respect to the amounts of insurance based upon vehicle seating capacity, specifically:
 - a. \$1,000,000 1 TO 7 PASSENGERS
 - b. \$5,000,000 8 TO 12 PASSENGERS
 - c. \$8,000,000 13 OR MORE PASSENGERS

Taxis and Limousines operating across municipal boundaries are subject to these requirements.

2. The Municipalities, as a part of licensing requirements, specify the amounts of insurance to be maintained, which amounts vary by municipality. For example, Toronto specifies a minimum limit of \$2 Million, whereas Richmond Hill specifies a limit of \$5 Million.
3. The dispatch companies may also specify minimum amounts of insurance for taxis and limousines under their dispatch service. For instance, at least one major dispatch company will not service any vehicle unless proof of insurance is provided for a minimum limit of \$10 Million.
4. Limits of automobile liability insurance may also be contractually prescribed by client services agreements as a condition for granting permission to transport passengers to and from their place of business. For instance, many casinos specify minimum limits of not less than \$10 Million.

Q2. What is a prudent limit of automobile liability insurance for a prudent Taxi or Limousine owner or operator?

A. The reference point is generally the risk of legal liability in the event of an automobile accident. Recent court awards in Ontario are the appropriate guide for the determination of prudent insurance amounts and such awards have been in a range of \$11.3 Million and \$23.0 Million in respect of accidents involving severe to catastrophic brain injury, which is why a minimum limit of \$10 Million is often specified or referenced as a prudent minimum limit of automobile liability limit. Also, many Taxi and Limousine vehicles, as in the Windsor, Kingston and Niagara regions, transport passengers into the United States where the legal liability risk is even higher than the level of court awards prevailing in Ontario.

Q3. Does automobile liability insurance apply to Taxi and Limousine when entering into the United States?

A. A number of commercial insurance companies providing coverage for Taxis and Limousines in Ontario specifically exclude coverage in the United States. The Group Marketing (Automobile Insurance) Plan sponsored by the Taxi and Limousine Drivers Association does not contain a U.S. exclusion.

Q4. What is the standard primary limit of insurance?

A. The primary limit under the Group Marketing (Automobile Insurance) Plan sponsored by the Taxi and Limousine Drivers Association is \$2 Million, which is a usual and customary primary limit for commercial vehicles. In order to meet the higher minimum liability limits specified by regulation, municipalities or common contracts, an excess limit of \$8 Million in excess of the primary \$2 Million limit is made available through Creggan Insurance Brokers Inc at an additional premium in order that members of the Taxi and Limousine Drivers Association will be in compliance with the prevailing minimum insurance requirements. At one time, the option to purchase a total limit of \$5 Million was made available to the members, however, through the advantage of the Group Marketing Plan concept, the price differential between \$5 Million and \$10 Million total limits become so insignificant that the higher excess limit has become the standard.

Q5. Can I purchase automobile liability limits for amounts in excess of \$10 Million?

A. Yes; supplemental limits of automobile insurance are also available through Creggan Insurance Brokers Inc.

Important Notice

This bulletin has been prepared by Creggan Insurance Brokers Inc and contains general information and descriptions only. This bulletin does not provide or constitute insurance or legal advice. If more specific information or advice is required or desired, please contact Creggan Insurance Brokers Inc., exclusive insurance brokers for The Group Marketing (Automobile Insurance) Plan sponsored by the Taxi and Limousine Drivers Association

Nothing contained herein constitutes a solicitation or offer of insurance by The Taxi and Limousine Drivers Association



Other:

To cross the international border by land, the driver and all adult passengers will be required to present valid documentation, specifically a Canadian Passport, Enhanced Driver's License, NEXUS/FAST card (pre-approved low-risk travelers only) or, if applicable, Secure Certificate of Indian Status. Foreign visitors may require additional documentation, but most passengers who are visitors from another country will enter the U.S. under the ~~U.S.~~ Visa Waiver Program (VWP), which allows them to travel to the United States for tourism or business for stays of 90 days or less without obtaining a visa, if certain requirements are met. The I-94W visa waiver form is obtained at the border crossing and, on average, the process takes 30-60 minutes, though it can take two or three hours at very busy times.

Proof of out-of-country medical insurance should also be carried by drivers to ensure access to emergency medical services and hospitalization if needed by virtue of either injury or illness. The proof card will generally include information on, and access to, 24/7 call-center services for referrals and emergency assistance.

Check-List Summary:

- Proof of Auto Insurance
- Claims Kit, with names and contact details of U.S. loss adjusters and legal counsel approved by your insurer
- Out-of-country medical insurance card
- Canadian Passport or other valid documentation acceptable to U.S. and Canadian customs

IMPORTANT NOTICE

This White Paper is sponsored by the Taxi and Limousine Drivers Association as a member service. Contributions were made by H&S Fleet Services Inc, exclusive services provider to the Taxi and Limousine Drivers Association, by T&L Insurance Services Inc, program manager of the Group Marketing (Automobile Insurance) Plan sponsored by to the Taxi and Limousine Drivers Association, and by Creggan Insurance Brokers Inc, exclusive insurance brokers for the Group Marketing (Automobile Insurance) Plan sponsored by the Taxi and Limousine Drivers Association. This White Paper contains general information and descriptions only and is not in the form of, and does not constitute, legal or insurance advice nor a solicitation or offer of insurance by the Taxi and Limousine Drivers Association, or others. For insurance or insurance advice, please contact your licensed insurance representative at Creggan Insurance Brokers Inc.

Prepared and current as at April, 2012.

Claims:

The primary claims issues are as follows:

1. Access to, and contacts for, a local, licensed loss adjuster able to immediately respond to any accident notification. Your insurer should provide as a part of your accident reporting kit (which should be maintained in your vehicle at all times) details of associated in-State loss adjusters, authorized to respond on behalf of your insurer in the event of accident or injury. Most Canadian domiciled loss adjusters would not have licensed standing in the U.S.
2. Injuries sustained to a driver or to an out-of-country passenger that necessitate local emergency medical response or hospitalization. The key issues are (a) proof of insurance absent which medical services may be declined, (b) coverage in excess of Ontario Health Insurance Plan (OHIP) limitations, (c) the disparity between Canadian and U.S. no-fault benefits, and (d) the higher costs of medical services in the U.S. which may precipitate third party claims, including by virtue of the disparity in no-fault benefits. In addition, there are complex reporting requirements under U.S. regulations, including Medicare, which necessitate that your auto insurer has qualified local loss adjusting and legal resources. Uninsured Motorist, and under-insured motorist, circumstances can also lead to major claims costs against your insurance even in circumstances where the driver is at 0% fault.

Litigation:

As mentioned, even no-fault rules do not eliminate, and may very well increase, the potential for litigation, and the propensity for, and the associated costs of, U.S. litigation are generally much higher than comparative Canadian litigation, in addition to which U.S. courts commonly award, and do not have caps on, punitive damages. This risk is most acute for bodily injury claims, where ultimate damage assessments could be in excess of insurance policy limits. Most of the cases result in settlement amounts for pain and suffering, currently averaging in the order of \$145,000, with the average personal injury verdict, as opposed to settlement, being \$985,675 in 2010. Awards in excess of \$2 million are not unprecedented¹. It is important that your insurer have a panel of lawyers pre-approved for accepting service and providing competent and competitive defense in the U.S. including, in rare circumstances, having the ability to provide drivers with local legal and bail services in the event of incarceration for criminal negligence actions. It is principally the high cost of claims, medical services and litigation in the U.S. that makes Canadian auto insurers reluctant to allow or to encourage cross-border insurance coverage.

¹ Average amounts from personal injury settlements would depend on various factors like the severity of the injury, duration for the treatment, damage done in the permanent tissue, resulted damage, amount of work missed, how much pay was lost, how it affected the person's ability and lifestyle, and how much the ability to work is lost.

White Paper on Cross-Border Issues for Ontario-based Taxi and Limousine Owners, Operators and Drivers

Most U.S. states have a "traditional tort" liability system for auto insurance in which recovery is governed by principles of provable negligence. However, twelve states, including the three Ontario bordering states of New York, Michigan and Minnesota (the Border States), like Ontario, operate under a "no fault" system for auto insurance whereunder certain benefits are payable regardless of fault.

Insurance:

The Border States prescribe mandatory minimum limits of insurance which are below the mandatory limits prescribed for a vehicle licensed in Ontario. All Border States require that proof of insurance be kept within the vehicle and that proof of insurance be presented upon the request of a peace officer.

Generally described, the auto insurance coverage required to satisfy the financial responsibility requirements in the Border States includes the following:

1. No-Fault (Personal Injury Protection) coverage, to pay medical expenses, lost earnings, and other reasonable and necessary expenses for a driver or passenger injured in, or a pedestrian injured by, a licensed auto operated within the state;
2. Liability Insurance, to cover in respect of bodily injury and/or property damage caused by or arising out of the ownership or operation of a licensed auto in the state; and
3. Uninsured Motorists coverage to protect against the injuries sustained by an occupant of a licensed auto operated in the state suffered in a hit-and-run accident or in an accident with an uninsured vehicle.

Provided that your auto insurance policy does not exclude operation in the United States, it would be reasonable to expect that your auto policy will provide equivalent insurance coverage in a scope and for amounts that meet and exceed the mandatory minimum limits in each of the Border States. Note, however, that a number of Canadian insurers have, from time-to-time, adopted the practice of prohibiting, by an exclusion of coverage, the operation of a taxi or limousine into the U.S., in which event a vehicle that entered the U.S. would be both uninsured and, by virtue of being uninsured, would be in violation of state laws and susceptible to potential confiscation of the vehicle.