

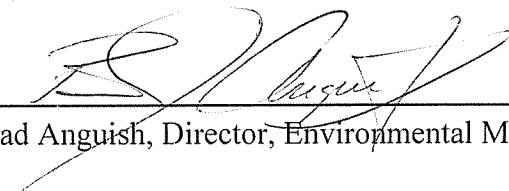
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PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Halifax Regional Council
April 13, 2004

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Brad Anguish, Director, Environmental Management Service

DATE: April 5, 2004

SUBJECT: By-Law T-129, Amendment to By-Law T-108, Respecting the Regulation of Taxis and Limousines Re: Cancellation of Insurance

SUPPLEMENTARY REPORT

ORIGIN

On March 23, 2004, subsequent to Regional Council's first reading and setting a public hearing date for By-Law T-129, Councillor Smith requested staff provide information from the Insurance Bureau as to their position on this matter prior to second reading.

BACKGROUND

The Appeals Committee submitted a report to Regional Council on March 9, 2004 requesting amendments to By-Law T-108 be considered for adoption which would ensure that a taxi vehicle owner be required to show proof that he or she has advised the insurance company to notify the Taxi Licensing Office of any change to his or her insurance.

Further to Councillor Smith's request, of March 9, 2004 a letter was sent to the Insurance Bureau of Canada. (Appendix A) The letter requested "confirmation that the Insurance industry, on receipt of a request from the taxi owner to provide the information respecting any changes in or cancellation of insurance coverage, will comply with the By-law and do so".

DISCUSSION

Attached as Appendix B is a response from the Insurance Bureau of Canada dated April 5, 2004 confirming that “they, on receipt of a request from an insured taxi owner to provide the information respecting any changes in, or cancellation of insurance coverage, will comply with said request, . . .”

BUDGET IMPLICATIONS

There are no budget implications as a result of this report.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality’s Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

N/A

ATTACHMENTS

Appendix A: Letter sent to the Insurance Bureau of Canada

Appendix B: Letter dated April 5, 2004 received from the Insurance Bureau of Canada

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by:	Andrea MacDonald, Manager, Community Projects, EMS	490-7371
Report Approved by	Allan Wayne, General Manager, Community Projects, EMS	490-6484

APPENDIX A

Letter sent to the Insurance Bureau of Canada

PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Mr. Don Forgeron
Vice President
Insurance Bureau of Canada
1969 Upper Water St. Suite 1706
Halifax, N.S.

Dear Mr. Forgeron,

The Halifax Regional Municipality is currently in the process of amending By-Law T-108, Respecting the Regulation of Taxi and Limousines. Currently the insurance industry has a role to play in regards to By-Law T-108. Section 23 (2) states **“the (taxi) owner shall require the agent of the Insurance Company issuing the insurance policy to immediately notify the inspector of any changes in coverage or the cancellation of any insurance policy ... and the agent or the Insurance Company shall immediately notify the inspector of any such change or cancellation.”**

It appears that many taxi owners are not requesting the insurance agencies or companies to notify the Taxi Inspector of any change in or cancellation of policies. Furthermore, agents and/or insurers are not notifying the Taxi Inspectors of changes of coverage or cancellations of policies. This information is often only received by the Taxi Inspector by way of specific contacts to insurance industry. There have also been situations when an insurance agent or company would not provide the information without the permission of the insured.

As you can see, there is already a legal obligation for the taxi owner to require the agent or insurer to notify the License Inspector of any changes in or cancellation of insurance coverage. If the agent or insurer has received such a request, it is our position that the issue of consent of the insured has been covered off and should not continue to be an issue for the insurance industry. The only remaining issue is for us to guarantee that the taxi owner in fact fulfills the requirement to require the agent or insurer to notify the Taxi Inspector of any change in or cancellation of coverage. To this end, Halifax Regional Council is in the process of adopting an amendment to the Taxi and Limousine By-law to require the taxi owner at the time of application for the taxi owner license to deposit with the License Inspector **“written proof that the applicant has requested the insurance company issuing the insurance policy pursuant to clause (v) to advise the Inspector of any change to the coverage and terms of the insurance policy issued to the applicant and to notify the Inspector when the insurance policy is no longer in effect”**.

We would like confirmation that the Insurance industry, on receipt of a request from the taxi owner to provide the information respecting any changes in or cancellation of insurance coverage will comply with the By-law and do so.

The Municipality is concerned for the welfare of our citizens as it appears more and more taxi drivers/owners, faced with increased cost in all areas, are choosing to operate their taxis in HRM without proper insurance coverage in place. As a consequences, parties injured in accidents caused by the operators of uninsured taxis may be left without a source of adequate liability coverage.

We understand that the insurance industry, in the past, has refused to release information respecting insurance coverage to Access Nova Scotia. I presume that in large part that was based on the privacy issues and the absence of consent on the part of vehicle owners to release such information. With the structure of the HRM by-law, privacy and consent will be a non-issue, since agents and insurers will only be required to provide information in respect of taxi owners from whom you will have received the necessary request. We will deal with the owners who do not provide such requests by refusing to issue or renew their licenses.

This matter will be discussed at a Public Hearing being conducted by Halifax Regional Council on April 13, 2004. We have to submit a report on this issue by April 5th for circulation to Regional Council. Therefore, there is a degree of urgency. Your assistance with an immediate reply would be greatly appreciated.

To help with your response, I have attached the latest edition of By-Law T-108 for reference.

Andrea MacDonald
Manager of Contractual Services,
Community Projects, E.M.S.
Phone: (902)490-7371
email:macdonaa@halifax.ca

cc. Wayne Anstey, Director of Legal Services, HRM
Allan Wayne, General Manager, Community Projects, E.M.S.

APPENDIX B

Letter dated April 5, 2004 received from the Insurance Bureau of Canada

April 5, 2004

Facsimile Transmission
(Original by mail)

Ms. Andrea MacDonald
Manager of Contractual Services
Community Projects, E.M.S.
PO Box 1749
Halifax, NS
B3J 3A5

Dear Ms. MacDonald

Re: Amendment – By-Law T-108, Respecting the Regulation of Taxis and Limousines

The insurance industry is supportive of Halifax Regional Municipality's (HRM's) proposed amendment to the Taxi and Limousine By-Law that will result in stricter enforcement of existing regulations and greater protection for residents using taxi and limousine services in Nova Scotia's capital region.

The proposed amendment, that will require taxi operators, at the time of application for a taxi owner license, to deposit with HRM's License Inspector,

“written proof that the applicant has requested the insurance company issuing the insurance policy pursuant to clause (v) to advise the Inspector of any change to the coverage and terms of the insurance policy issued to the applicant and to notify the Inspector when the insurance policy is no longer in effect,”

is similar to current legislation in other Canadian jurisdictions, including Newfoundland and Ontario.

As such, we have been assured by our member companies currently providing auto insurance coverage to the taxi and limousine market that they, on receipt of a request from an insured taxi owner to provide the information respecting any changes in, or cancellation of insurance coverage, will comply with said request, as intended by HRM's proposed amendment to By-Law T108, Respecting the Regulation of Taxis and Limousines.

Sincerely yours,

D.W.J. Forgeron
Vice President, Atlantic