



***Provincial Towing Association (Ontario) Inc.***

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July 9, 2008

via e-mail 5YearReview@fscsco.gov.on.ca

Mr. Willie Handler, Senior Manager  
The Financial Services Commission of Ontario  
5160 Yonge Street  
4th Floor, Box 85  
Toronto, Ontario  
M2N 6L9

Dear Mr. Handler:

**Re: 5 Year Review “Ontario Automobile Insurance”**

You may or may not remember me as I took part in the discussions regarding the Towing Industry Rates back in 2002 when the Towing Rate Cap was first introduced. I have since sold my business and have assumed the position of Executive Director of both Ontario Towing Associations.

To give you a little history on the issue I am about to embark on, you should know I am a member of the “Rapid Clearance Committee” as set up by the Ministry of Transportation in the spring of 2006. The purpose of this committee was to review the many issues facing “Highway Traffic Incident Management” and in particular the Towing Industry. It became very apparent to me at the first meeting that “Tow Pricing” was one of the major issues. To set the record straight I concur that there are some serious pricing issues within this industry but one must have a full understanding of what drives this issue and what should be done about it.

I wish to point out that our association members are called to the scene of a traffic accident to clear and remove damaged and wrecked vehicles and debris from the Provincial roads and highways. While the Police, Fire and Ambulance Services are all funded through the Government, the Towing Industry relies totally on payment for the services they provide from the consumer; we have no opportunity to qualify who will pay for their services or when. This very issue leads to the question of “who should pay for these services”?

It has always been our position that the Insurance Companies should pay for the removal and cleanup of the scene of an accident under the Public Liability or Property Damage coverage as it is a liability issue. Simply put, a vehicle left on a road, public or private property, as the result of an accident, is a liability to the property owner, the environment and the public at large.

It is at this point we encounter difficulty. Many of the vehicles involved in collisions do not carry “Collision Insurance Coverage” thus the Insurance Companies refuse to pay for our services. While it is easy to say that the owner must pay, this is seldom possible as in many cases the owner simply does not have the ability to pay or may in fact be severely disabled or deceased and there are no assets to claim against. There are also many negative issues that would make our members appear insensitive should they pursue family members for payment from an estate should there even be one.

**“The Association for Towing Professionals”**



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We recently processed a test claim through the Ontario Small Claims Court and lost the case simply because our member suffered no direct damage. Apparently, the financial damage to a tow operator cannot be considered. It became clear however, that had the Crown sued for damages to their property it could have collected under the Public Liability and/or Property Damage section of one's coverage on the premise that Crown Property was damaged.

It is our opinion that the insurance companies are shirking their responsibility to pay as the liability policy clearly covers damage to someone's property but the problem is simply that the property in nearly all cases belongs to the Crown and by virtue of the Highway Traffic Act we have no recourse to the Crown. I find this entire situation difficult in that our members are restoring the Crown's property to prior condition and the Crown has a claim under the liability policy yet our members do not.

The damage being done to the towing industry for non-payment is a very serious concern and any hope to resolve the pricing issues hinges on the industry's ability to be paid for all the services provided. Undoubtedly, if we are unable to resolve this problem I will face strong opposition from our members in addressing the price complaints. This very issue triggered job action in the GTA in the summer of 2006 and is very likely to happen again if not resolved.

In closing, I am requesting you review and address this issue at your very earliest convenience. I believe it is time for the Government of Ontario to guarantee payment on all calls initiated by a Government Agency or enact legislation to ensure the Insurance Companies live up to their responsibility and pay for our services. I am available during business hours if you wish to discuss this issue and would offer any assistance you may require.

Yours truly

D. G. (Doug) Nelson  
Executive Director

DGN/dh

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