

City Council**Motion without Notice**

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| MM25.26 | ACTION | | | Ward: All |
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Restaurants and Insurance - by Councillor Paula Fletcher, seconded by Councillor Joe Cressy

** This Motion has been deemed urgent by the Chair.
* This Motion is not subject to a vote to waive referral. This Motion has been added to the agenda and is before Council for debate.*

Recommendations

Councillor Paula Fletcher, seconded by Councillor Joe Cressy, recommends that:

1. City Council request the Province of Ontario to immediately put forward legislation which would stop insurance companies from terminating existing policies to restaurant owners and the hospitality sector.
2. City Council request the Province of Ontario to immediately put forward legislation that pauses the rate of increase on existing commercial insurance policies for restaurant owners and the hospitality sector until the pandemic is over.

Summary

Big challenges continue for the hospitality sector as many insurance premiums are being hiked and policies cancelled while these establishments are simply trying to stay afloat during the COVID-19 pandemic.

Longstanding establishments which have operated for years without a single claim are now being asked to pay exorbitant fees for their insurance. Policies have not been renewed because of concerns about patrons contracting COVID-19. Some insurance premiums have been raised to such a degree it makes it impossible for these struggling small businesses to afford insurance.

Despite the closures in Stage 1 and the most recent operating restrictions, restaurants and the hospitality industry have paid their insurance premiums with no rebates, deferrals or adjustments.

Business insurance is considered a prerequisite of a commercial lease. For the restaurant and hospitality industry to continue even limited operations restricted to take out and delivery commercial insurance is required to stay in business.

For the restaurant and hospitality industry to survive, immediate Provincial assistance is needed to ensure the insurance industry supports its long standing partners who, with no action to curtail premiums, are now facing business failure.

There is an urgent situation as there is a small window for the Province to act on these critical insurance matters before more main street businesses and suppliers can no longer survive.

Many Toronto restaurants are being forced to close due to the insurance issues noted above and it is imperative that the Provincial Government act immediately.

Background Information (City Council)

Member Motion MM25.26