

LEGISLATIVE ASSEMBLY OF THE  
NORTHWEST TERRITORIES  
5<sup>TH</sup> COUNCIL, 27<sup>TH</sup> SESSION

REFERENCE FOR ADVICE  
NO. 1-27

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NORTHWEST TERRITORIES

REFERENCE FOR ADVICE

IMPLEMENTATION OF COMPULSORY  
PUBLIC LIABILITY INSURANCE

The Commissioner requests the advice of the Council on the implementation of compulsory public liability insurance.

Implementation of Compulsory  
Public Liability Insurance

In July, 1963, Council asked that the Administration study and report on the general question of extending compulsory public liability insurance on motor vehicles in larger communities in the Territories. The Council further asked the Administration to study and report on the feasibility of making mandatory upon all taxis the carrying of public liability insurance.

Present Situation

The Motor Vehicles Ordinance already requires that every application for the registration of a motor vehicle be accompanied by a written certificate of an insurer certifying that public liability insurance is in force. It is also required that the policy will not be cancelled by the insurer until ten days after notice of cancellation is received by the Commissioner. There is no requirement in the Motor Vehicles Ordinance for insurance covering property damage. The requirement for public liability insurance applies to all motor vehicles without regard to their purpose or function. By Commissioner's Order, however, the requirement for compulsory public liability insurance is confined to motor vehicles operated in:

- (a) The Municipal District of Yellowknife;
- (b) The Local Improvement District of Fort Smith and the Fitzgerald-Bell Rock Road;
- (c) The Municipal District of Hay River;
- (d) The Mackenzie Highway; and
- (e) The Enterprise-Fort Providence-Rae-Yellowknife Highway including settlements within ten miles of this Highway.

As a consequence of the above Order, motor vehicles operated in such areas as Inuvik, Frobisher Bay, Baker Lake and Rankin Inlet, are not required to carry public liability insurance.

The Problem

If the Commissioner's Order did not exempt the more remote communities in the Territories, motor vehicle operators in all areas, regardless of remoteness, would have to carry public liability insurance. Insurance companies would doubtless set very high premium rates because of the administrative costs in settling claims for damages in remote areas. This would constitute an undue burden on the owners of motor vehicles in these areas.

There are areas where only very few motor vehicles are operated and the need for public liability insurance is minimal. Regardless of this, there may be need for public liability insurance by public carriers such as taxis. In this regard we have the assurance of the All Canada Insurance Federation that taxicab insurance could be obtained for any area in the Northwest Territories under the Assigned Risk Plan.

If it is desired that motor vehicle operators be required to carry public liability insurance, this can be done by extending Commissioner's Order 43-60. Inuvik now has a sufficiently large population, and a sufficiently large number of motor vehicles to warrant the requirement for compulsory public liability insurance for motor vehicles in that area.

The Commissioner believes that the time has come when he should require that owners of motor vehicles operated within a radius of 15 miles of Inuvik carry public liability insurance and that taxicabs throughout the whole of the Territories carry it.

The Commissioner does not wish to act in this matter without first having the advice of Council.