

Team Burlington
414 Locust Street
Burlington, ON
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November 28, 2022

Members of Burlington City Council
426 Brant Street
Burlington, ON
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Re: Team Burlington Advocacy on Patio Liability Insurance

Throughout the pandemic Team Burlington which includes Burlington Economic Development, Burlington Chamber of Commerce, Tourism Burlington, Burlington Downtown Business Association and the Aldershot Village BIA have advocated on behalf of businesses. The Hospitality sector has been one of the hardest hit sectors by COVID-19 and faces significant barriers to sustainability. Increasing fixed operating costs remain an issue for restaurants and they are struggling with increased rents, insurance premiums, and the new minimum wage all of which are increasing the costs of operating their business. At the same time inflation is adding additional costs for the business and decreasing the disposable income that customers are able to spend on restaurants. While the grants and other supports in place to help businesses through the impacts of COVID-19 have ended the hospitality sector is still facing many obstacles to survival.

The average cost of insurance for a restaurant based on information provided by the Burlington Restaurant Association is \$20-40K in annual premiums depending on the size and nature of the restaurant. An increase to \$5 Million liability (from \$2 Million) insurance increases the premium by 50 – 100% depending on the insurance carrier. This would result in an additional \$10 – 40K per business on an annual basis to meet the temporary patio policy requirements currently in place.

Team Burlington has regular engagement with the business community including the Digital Main Street Service Squad and My Main Street Ambassadors who have engaged over 500 business in 2022. Burlington's hospitality sector continues to voice concerns around recovery and have still not seen profits return to pre pandemic levels. Within the private sector, typically restaurants and large private landlords of commercial plazas hold liability insurance in the \$5-10 Million range as part of lease agreements. Additional feedback that Team Burlington received from the Burlington Restaurant Association indicated that while the majority of restaurants hold a minimum of \$5 Million liability, smaller establishments with limited alcohol sales may hold only \$1 Million in liability insurance. Likewise for smaller commercial landlords, particularly in the Business Improvement Areas (BIAs), the requirement of restaurants and cafes for liability insurance for patios may be in the \$1 -2 Million range. The requirement of liability insurance set at \$5 Million may create a barrier for smaller establishments to remain competitive and service customers who prefer outdoor dining.

Team Burlington is calling on the City of Burlington to remove all barriers and additional costs to support Burlington businesses and encourage their survival. In line with previous years, we are asking that Council give consideration to decreasing the patio liability insurance minimum to \$2 Million dollars for 2022 to support businesses trying to survive the impacts of COVID-19. This ask is inline with the council approved patio liability requirements in 2021 and 2022 which were seen as essential element of supporting the hospitality sector during COVID-19.

Sincerely,



Anita Cassidy
Executive Director
Burlington Economic Development