



BEARDWINTER LLP

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How the 2024 Amendments to the *Towing and Storage Safety and Enforcement Act* Impacts Insurers

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Amendments to the *Towing and Storage Safety and Enforcement Act*:

Licensing and regulation of the towing and vehicle storage sector was governed by municipalities until January 1, 2024, when recent amendments were made pursuant to the *Towing and Storage Safety and Enforcement Act* (“TSSEA”). Following the amendments, these sectors became provincially regulated which now compel towing and vehicle storage operators to register their maximum rates with the Ministry of Transportation, creating greater transparency within the industry.¹

The Ministry will also be able to reject rates that are considered unreasonable ensuring that tow truck drivers are held to a fair standard for their invoices. Furthermore, maximum rates will be published online, encouraging competitive rates.² We look forward to the Ministry’s interpretation of “reasonable rates” alongside better accessibility to universal rates by Ontario tow truck drivers.³

There is limited jurisprudence on the interpretation of reasonable rates for towing and storage operators in Ontario. In 2016, the Toronto Small Claims Court was asked to determine the “fair value” for daily storage of a vehicle.⁴ Deputy Judge Ashby concluded that the “fair value” for J.P.

Towing’s storage fee was \$70.00 a day. Intact did not appeal the decision.⁵ The new statutory changes will increase transparency between tow operators and their clientele with respect to storage rates, administrative services and invoicing. We hope the expanded requirements for towing operators will allow owners to recover their vehicles faster and more efficiently.

Other Important Changes:

In addition to the increased transparency, towing operators can only charge for necessary services. They cannot charge for transporting the towed vehicle’s driver or passengers to any destination, or administrative services such as preparing invoices or consents (often referred to as a “documentation fee”).⁶

Furthermore, vehicle storage operators cannot charge for preparing/cleaning storage spaces, or moving vehicles between storage facilities, unless requested by the owner/operator. Lastly, tow operators and vehicle storage operators must maintain and monitor email addresses which will improve the timely recovering of towed vehicles.⁷

Our office is currently litigating dozens of disputes between towing operators and insurance companies. The amendments to the TSSEA will provide much needed guidance and structure to the benefit of towing operators and insurance companies alike.

1 <https://www.toronto.ca/services-payments/permits-licences-bylaws/tow-trucks/tow-truck-drivers/>
2 [Submit tow and vehicle storage rates | ontario.ca](https://www.ontario.ca/page/submit-tow-and-vehicle-storage-rates)
3 <https://www.ontario.ca/page/submit-tow-and-vehicle-storage-rates>
4 *J.P. Towing v. Intact*, 2019 ONSC 1495

5 *Ibid.*
6 *Supra* note 3.
7 *Ibid.*

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