

# Daw: More car insurance hikes before any relief

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Many Ontario drivers will see further premium increases before any potential savings from the province's new package of cost controls and coverage options become available, insurers warned yesterday.

"There should be cost savings," said an optimistic George Cooke, president of Dominion of Canada General Insurance Co. – enough, possibly, that many motorists will pay less without having to reduce coverage under the new basic policy.

But he warned many policyholders would see increases that have already been approved, or could yet be approved, before changes outlined in the *Star* and announced Monday can be implemented next summer.

Finance Minister Dwight Duncan revealed more than 40 pending changes. They were greeted with a mixture of praise, criticism and puzzlement depending on the interest group, with everyone clamouring for more detail.

Insurers, lawyers and some care providers were pleased to see reimbursement for treatment and assessment of minor sprain, strain and whiplash injuries will be capped for the interim period at \$3,500, with few exceptions.

But health providers were not happy consumers would also be given the choice of buying \$50,000 of medical rehabilitation benefits – as happens in Alberta and New Brunswick – instead of the current mandatory \$100,000 in Ontario.

Health-care providers who lobbied against a \$25,000 option said \$50,000 would still not be enough to cover serious injuries, considering that suing for excess medical costs currently requires an injury to be serious and permanent.

Insurers would profit without there being a guarantee of savings for consumers, they said, leaving accident victims to rely on an over-stressed health-care system, or having to pay out of their own pockets.

"There is a lot of detail yet to come," Cooke said after attending a government briefing that left other insurers unwilling to speculate on the potential for savings to consumers.

"There are increases (in premiums) going through the system right now. So there will be a bit of a transition," he added. "Whatever magic date this happens in the summer of 2010, people who have just renewed their coverage somehow are going to have to be able to endorse their policies so they can take advantage of the same prices (as those who renew later.)"

At Queen's Park, the Conservatives said Duncan should have gotten to the root of the problem with higher premiums by taking a closer look at fraud and waste in the medical and auto-repair systems, the *Star's* Rob Ferguson reports.

"I'm very worried that the reforms brought forward to date are actually about reducing coverage to people as opposed to going after the fraud and the waste in the system," said Progressive Conservative Leader Tim Hudak.

"There's a lot of gaming going on. Much more could have been done. The double-digit increases we've seen in the last couple of months are actually unaffordable to Ontario families in today's economic environment."

NDP Leader Andrea Horwath said the Liberals appear afraid of taking on the insurance industry and its suppliers.

"They're basically saying if you can't afford decent insurance we'll provide you with a cheaper product for a cheaper price. It's not rocket science," she said. "They need to take a look at the system overall."

The fact that it took a year of review to come up with the Liberals' solution is astounding, said NDP finance critic Michael Prue. "In the end, any fool can sell an inferior product for less money and that's really all that's happening here."

The Insurance Bureau of Canada applauded the government for addressing affordability of premiums while at the same time maintaining "robust benefits."

"We are pleased that the government is taking the steps necessary to create a better auto insurance system for Ontarians," said IBC president & CEO Don Forgeron. "Consumers need and deserve a stable and affordable auto insurance system. The current system is overly generous and encourages unnecessary costs."

The Ontario Trial Lawyers Association said the auto-insurance reform proposals fall short of securing fairness and access to justice for innocent accident victims.

Eliminating a deduction from pain and suffering awards after fatal accidents is a step in the right direction, and there are measures aimed at taking pressure off premium increases, said association president Judith Hull, adding, "We need to find a longer-term solution to cure what ails auto insurance."

Dorianne Sauvé, chief executive of the Ontario Physiotherapy Association, called for clarification on how accident victims who need more treatment will fare with the proposed \$3,500 coverage limit for minor injuries. Details of the government's reform package are on the web at [news.ontario.ca](http://news.ontario.ca).