

Consultation Summary Results

On July 23, 2001, Walter Noel, Minister of Government Services and Lands, announced the beginning of a consultation process on automobile insurance reform.

He stated: "Government is examining various means to keep rates as low as possible. Drivers also have to do all they can to reduce the number of accidents and the cost of personal and property damages. I would welcome consumer comments on these matters"

On October 4, 2001 the minister released the consultation paper entitled **Proposals for Automobile Insurance Reform** containing a comprehensive set of suggested reforms for the automobile insurance industry. Up to March 1, 2002, a total of 1077 submissions and opinions

were received by normal mail, electronic mail, telephone calls, formal position papers, and petitions.

Of these, 1026 were individuals who made their opinions known through 372 emails, 50 letters, 424 telephone calls, and as signatories to petitions.

Fifty-one submissions were from groups, municipalities, organizations, unions, chambers of commerce, professionals and other businesses.

Among those making written submissions were Consumers for Fair Insurance, the Insurance Bureau of Canada, Advocates of Fair Auto Insurance, Coalition Against No-Fault Insurance, Insurance Brokers Association of Newfoundland, and Facility Association.

Proposed Reform	Agree	Disagree	Other
Tort Reform			
- Restriction on non-economic loss	82	728	
- \$15,000 deductible	7	9	
- 100% Net Wages	9		
- 25% Seat Belt Reduction	7		
Accident Benefits			
- Mandatory	14	5	
- Increases	10		
Direct Compensation			
- Not-at-fault company pay	2	2	
- At-fault paid under collision	9		
- indemnification over \$20,000	8		
	6	2	
Underwriting Guidelines	9	4	
Facility Association	2		
- Public rep. on board	5	1	
- Nfld. insurer on board	5	1	
- Reason for being declined	6		
- FA written on forms	6		
- Annual report on status	5	1	
- Monthly report to Superintendent	6		
- Monthly payment plan	6		
- Amendments to Plan of Operations	5	1	
- PUB approve commissions	5	2	
- PUB approve service fees	5	1	
- Underwriting guidelines	5	2	
- Non-profit removed	5	2	
Rate Regulation			
- Only Maximum benchmark	8	1	
- No rate to exceed FA	7	1	
- Mandate 35% reduction in TPL	5	1	
Uninsured Drivers	11		2-higher
- Increase fines	15		
- MRD-cancellation report	13		
- Impoundment of vehicle	11	1	
- License suspensions	12		
- No right to sue	12		

Proposed Reform	Agree	Disagree	Other
Impaired Drivers	8		
- Suspension Periods	14		5-longer
- Impoundment of vehicle	13	2	
- Alcohol Program	10		
- No right to sue	11		
- Lifetime suspension redeath	11		
- Driver Control Board	9		
Monthly Premium Plans	3		
- Require plan	6	2	
- 3% interest	5	1	
Unearned Premium-PACICC	9	3	
\$3 million Capital Requirement	9		
Rating Territories-PUB approval	8		
Consumer Education	2		
- Plain language information	8		
- Superintendent public awareness	10		
- Insurance question	7		
Claims/Adjusting/Appraisal	1		
- Settle claims quickly	7	3	
- interim payments	7		
- Fault determination rules	7		
- Disclose claims and amount	8	1	
Brokers disclose companies/quotes	10		
Consumer Advocate PUB	8	2	
No-Fault Automobile Insurance	6	235	
Other Comments			22