



COALITION AGAINST NO-FAULT IN BC

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MEDIA RELEASE

For Immediate Release

THE FAILURES AND COSTS OF QUEBEC'S NO-FAULT SYSTEM LED TO A REQUESTED 300% RATE INCREASE – SYSTEM STARK IN CONTRAST TO BRITISH COLUMBIA'S, WHERE RATES HAVE BEEN REDUCED

(Vancouver) – As the month of June was coming to a close, as the country's people were preparing to celebrate Canada Day, evidence surfaced that Quebec's no-fault system of auto insurance continues to show cracks. It is neither a cost-saver to insurers nor a benefit to innocent accident victims.

The Société de l'assurance automobile du Québec (SAAQ) proposed that the Government of Quebec approve a rate increase of up to 300% as a way of cutting into the auto-insurance board's massive debt. According to Quebec's junior Transport Minister, Julie Boulet, the requested increase will not be approved (source: Canadian Underwriter - June 22).

As the SAAQ was recommending the enormous rate increase to compensate for the \$1-billion debt it is carrying, the Insurance Corporation of British Columbia (ICBC) was announcing rate reductions of \$100 million for 1.6 million BC motorists.

BC is Canada's lone full-tort province (retaining the right to legal action). BC and the country's three territories remain the only jurisdictions in Canada where innocent car-crash victims are not limited in their right to sue, thereby ensuring people can be compensated fairly for pain and suffering or economic loss that exceeds the regular coverage levels set out in their insurance policies. All other provinces deny or unfairly limit a person's right to sue, generally by subjecting them to a threshold, deductible, cap or a combination of these forms of curtailment.

The contrasting realities for motorists in BC and Quebec are indicative of the significant contrast between Quebec's pure no-fault system and British Columbia's full-tort system. No-fault systems deny legal rights to injured citizens whereas fault-based systems preserve an individual's right to access the courts, if necessary. No-fault systems are also a disincentive for safe driving. This is significant because the only way to reduce costs consistently is to reduce the number of motor-vehicle accidents.

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