

Auto Insurance Rates Will Be Investigated On Government Order

Strong Protests Against Increases Lead Attorney-General to Hold Inquiry — Underwriters Must Prove Necessity for Rise

COMPANIES READY TO SUBMIT CASE

Announce Willingness to Show That Increasing Highway Hazards and Resultant Losses Have Made Business Unprofitable Under Present Conditions

Sharp increases in automobile insurance rates which were announced last week by the Canadian Automobile Underwriters' Association as effective from today, Feb. 1, are to be investigated by a Government Commission. Announcement to this effect was made yesterday by Attorney-General William H. Price.

Personnel of the Commission will be named in the Legislature the first of the week. Meanwhile—in fact, until the Commission reports on the very thorough investigation it will be authorized to make—the increased rates stand as stipulated by the underwriters' association.

Colonel Price has been in touch with the association, and they have signified their willingness to come forward and prove their case before any "impartial tribunal."

To Allay Public Anxiety.

Appointment of the Commission is being made, Colonel Price stated yesterday, "to allay anxiety on the part of the public in this matter; if possible, to protect the motor-car owners from what may be excessive rates; and at the same time to protect the insurance companies, who have an investment of capital and must be allowed sufficient rates to carry on properly and to build up resources so that they will be able to pay losses from time to time."

With the association's announcement of the increased rates, many voices—including those of the Manufacturers' Association, the Board of Trade and the Motor League—were promptly raised in "too high" protest. Whether too high or not, these organizations had no opportunity, in any event, to combat the increases.

Claim of the underwriters' association was that the tremendous increase in mileage of paved roads in the last years, with doubling of the number of domestic cars and trebling of the number of foreign cars operating over them, had so increased the accident hazards that the steady losses to the companies resulting had impaired capital to the extent of making increases imperative.

Thinks Method Unwise.

Colonel Price is inclined to question the wisdom of the insurance companies making the increase in the manner they did. "It would have been very much better," he said yesterday, "if they had come forward six months ago and placed their case before those in charge of insurance in the various Provinces throughout Canada, so that, if an increase in rates were necessary, the Superintendents of Insurance in these Provinces would have had an opportunity of investigating and ascertaining whether such rates were justified. The fact that they have not done so forces the Government at this juncture to investigate. To a great extent it puts the companies on the defensive."

The Attorney-General pointed out that the only information available as to the actual losses occasioned to the companies carrying on under existing premium rates is in the hands of the companies themselves. The law does not provide the Superintendent of In-

urance with authority to gather that information.

"These companies," he said, "have issued a public statement which gives the results, but they do not submit any evidence to any one that they have actually incurred the losses of which they complain, or that they carry on business sufficiently economically to demonstrate that the present rates are not sufficient."

Colonel Price stated that the public was entitled to know the basis on which rates had been increased. The Government, he said, was anxious that motor-car drivers be given the benefit of as low rates as possible. On the other hand, care should be taken in Ontario, and throughout all the Dominion, that nothing be done to undermine the stability of the large insuring companies, which take so much responsibility for various hazards.