

March 7

Price Predicts \$500,000 Saving To Car-Owners in Insurance Cut; Companies Trying to Avoid Loss

Decrease for Private Autos Ranges From Two to Twenty-six Per Cent. — Commercial and Fleet Rates Found Inadequate and Will Be Raised

NO REGULATION BY GOVERNMENT

A saving of \$500,000 in insurance premiums in 1931 to owners of private automobiles was predicted in the Legislature yesterday by Attorney-General Price.

Colonel Price announced that the Government at present was not going to adopt the suggestion in Mr. Justice Hodgins's report that the Provincial Superintendent of Insurance should regulate the reasonableness of insurance rates.

"Meanwhile," said the Attorney-General, "the associated companies have made overtures to the Government with respect to rates for 1931 which encourage us to believe that the existing rates may be made substantially lower and more uniform by the companies voluntarily."

Sees Big Saving to Public.

Colonel Price explained that the associated companies had proposed a new scale of rates for private passenger cars for 1931, which would effect substantial savings to the Ontario public. "None of the basic rates are proposed to be increased," said Colonel Price, referring to private passenger cars, "and the percentage of decreases proposed range all the way from 2 per cent. to 26 per cent., according to the coverage, the class of car and the territory where the automobile is principally used. It is estimated that if the premiums written in the Province on private passenger cars total \$6,500,000 in the year 1931 the aggregate savings to private passenger car owners as a result of the proposed lower rates will exceed \$500,000.

"Commercial car and fleet rates are proposed to be increased. The Commissioner found that the existing rates for those types of risk were inadequate. The proposed rates for commercial cars represent an average increase above existing rates of about 12 per cent.

Reasonableness of Rates.

"While the reasonableness of the proposed rates has not been investigated by the Insurance Department, it does appear to the Government that a reduction in private passenger car rates alone involving an estimated saving to the public in one year of \$500,000 is a great achievement. It is quite possible that if the Superintendent of Insurance made an investigation he might find some of the proposed rates inadequate. Under the circumstances, and particularly because neither the insurance men nor the public appear to want Government regulation at this time, the Government has concluded to

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give the companies an opportunity to give the public this reduction in rates which will carry out the spirit of the Hodgins Report.

"It is hoped that the experience during the year 1931 will make it unnecessary for the Government in the future to empower the Superintendent to investigate the rates and to order their adjustment where found by him to be excessive or unreasonable. Nevertheless, under the authority of legislation passed last session, all companies are preparing and filing with the Insurance Department records which will enable the Superintendent of Insurance to report to the Government at any time as to the reasonableness of the rates, and I have no hesitation in saying that if at any time in the future the experience shows the necessity of Government regulation of rates it will be undertaken promptly by bringing into force the provision therefor already in the Insurance Act.

\$60,000 for Commission.

"The Royal Commission disbursed during the inquiry less than \$60,000, of which amount more than two-thirds represented the cost of the statistical and actuarial investigation. In view of the prospective saving to the public in the year 1931 alone of over \$500,000, the Government is well satisfied with the results obtained."

Colonel Price made his statement regarding insurance before the orders of the day were called. He mentioned that, although the final report of the Hodgins Royal Commission was presented last December, a supplementary report, explaining certain features, would be printed and tabled within a few days. The primary cause of the Commission's investigation, he explained, were the increases in rates announced by insurance companies in 1929. He noted that, after a two-years' inquiry, the Commissioner, Mr. Justice Hodgins, had found the methods of increasing the rates "unusual, unreasonable and unfair." He summarized the Commissioner's findings that the premiums on private passenger cars were excessive, and that premiums on commercial vehicles were inadequate.

Opposition Encountered.

He also referred to the Commissioner's recommendation that the Superintendent of Insurance should be empowered to order a readjustment of rates whenever, in his opinion, they were excessive, inadequate, unfairly discriminatory or otherwise unreasonable.

Said Colonel Price:

"This recommendation has caused the Government a great deal of concern. The associated insurance companies have vigorously opposed its adoption. It has not been supported by representatives from public organizations, such as the Ontario Motor League, the Boards of Trade and the Canadian Manufacturers' Association. Strong opposition is encountered in many quarters to the extension of Government control and regulation in many fields of business activity. It is doubtful if Government regulation of insurance rates would be successful so long as the insurance companies and agents are strongly opposed, and the public is only mildly interested in such regulation. For these reasons the Government has hesitated to accept the Commissioner's recommendation."

LLOYD'S INSURANCE ALLOWED BY BILL

Companies Not Licensed in Ontario Could Accept Policies

E. J. Murphy (Conservative, Toronto-St. Patrick) introduced a bill in the Legislature yesterday which would enable brokers to place certain types of insurance with insurance companies not licensed in Ontario. The purpose behind the bill, it is understood, is to allow the placing of insurance with Lloyd's of London through offices in Ontario. At present, because Lloyd's is not licensed under the Ontario Insurance Act, brokers cannot place certain types of insurance with it. As a result, people seeking certain kinds of insurance covered only by Lloyd's, must place it with the head office or through agents outside Ontario.

Live-stock insurance, it is understood, is one of the types of insurance which the bill seeks to make available.

Second reading was given to the bill sponsored by Wilfrid Heighington (Conservative, Toronto-St. David) to amend the Registry Act so that local building restrictions will appear in the searching of titles. Attorney-General Price's bill to extend the powers of the Provincial Fire Marshal in fire prevention regulations, was also given second reading.

In answer to a question on the order paper, Premier Henry stated that the total ordinary expenditure on highways since the inauguration of the gasoline tax was \$22,847,000, of which \$8,788,000 was spent in Northern Ontario. Arrears at the end of the last fiscal year owing by issuers of licenses of all kinds of motor vehicles was \$1,487.

CONTROL IS GIVEN DENTAL COLLEGE

Non-Members Are Prohibited From Practicing in Ontario

By means of an amendment to the Dentistry Act the Ontario Government seeks to prohibit any person not a member of the College of Dental Surgeons from practicing dentistry in this Province.

The amendment, which was brought down to the Legislature yesterday by Hon. Dr. J. M. Robb, Minister of Health, forbids the operation of any school, college, laboratory or other institution for the training of dentists except the College of Dental Surgeons. New penalties under the amendment provide a \$100 fine for a first offense, \$200 for the second offense, and \$500 for every subsequent offense.

Power is also given to the special board governing dentists to suspend the license of any practitioner who has been convicted of an indictable offense in any part of Canada.