

# Province cancels changes CCCS planning to pursue legal considerations

This is the fourth in a series of articles on Ontario's car insurance system.

As Ontario motorists ponder the recent confusion surrounding their car insurance system, the provincial government is pushing ahead with studies of no-fault coverage — a fundamental reform it hopes will put a lid on the rapidly rising costs of accident claims.

In a surprise move last week the government said planned major changes in the car insurance rating system, scheduled to take effect by June 1, have been put on hold. The announcement cancelled the planned elimination of age, sex and marital status as rating criteria. The changes had been expected to result in lower insurance prices for many young male drivers but higher rates for most others.

At the same time the government ruled that car insurance companies cannot increase drivers' premiums by more than 7.6 per cent.

Financial Institutions Minister Murray Elston said changes in the rating system will be held up pending a decision on no-fault.

The Ontario Automobile Insurance Board (OAIB) opened public hearings April 17 on two forms of no-fault insurance. The Board, a government agency, regulates the car insurance system run by the private insurance industry.

Under the present system, people hurt in car accidents can receive accident benefits to a maximum of only \$140 a week. To receive additional compensation, they must sue and prove another driver was at fault.

### More victims suing

More and more Ontario accident victims have been launching lawsuits to settle claims, and average court awards have been rising. The cost of bodily injury settlements has nearly tripled over the last eight years to about \$1 billion annually.

Insurance industry officials say two things are needed to bring these skyrocketing costs under control. One is the introduction of some form of no-fault insurance to compensate those injured in car accidents. The other is reform of the civil justice system as it relates to car insurance settlements.

Under no-fault insurance, car accident victims receive benefits almost automatically — at higher levels than the present system provides — regardless of whether they caused the accident. In exchange for higher and quicker compensation, their right to sue for additional compensation is restricted or eliminated.

The OAIB is exploring the costs and advantages of three systems — two forms of so-called "threshold no-fault", plus a "choice" system that would give motorists the option of purchasing either no-fault coverage or the traditional fault-based insurance now in effect.

Under threshold no-fault, injured persons are paid set amounts by their own insurance to cover economic losses, including lost wages. Funds are also available to pay medical, rehabilitation and funeral costs.

### Lawsuits limited

Victims can sue to recover additional economic costs not covered by their no-fault benefits. But they can't sue for non-economic damages such as pain and suffering unless the seriousness of their injuries meets a certain level or "threshold".

The OAIB study is considering two threshold definitions including one used in the New York State. Generally, threshold no-fault restricts pain and suffering lawsuits to cases involving severe injuries causing death, dismemberment, significant loss of body function or disfigurement.

Under the "choice" system being studied, motorists would be required to choose between no-fault and fault-based personal injury coverage at the time they buy their insurance.

Choice no-fault differs from threshold no-fault. While accident victims would receive the same high level of benefits to compensate for economic losses, they would give up all rights to sue.

Those choosing fault-based coverage would retain the right to sue to recover both economic and non-economic losses if another motorist is found to be at fault. The amounts of compensation beyond the standard \$140-a-week accident benefits would be decided by the legal system. They would not be compensated if they themselves were at fault.

### Can switch coverage

Under the choice system, motorists would be able to switch from one type of coverage to the other. But once an accident happens, those involved are bound by the type of insurance covering them at the time. Policyholders could increase their defined no-fault benefits by paying higher premiums.

The insurance industry says either form of no-fault could be offered to consumers at lower prices than fault-based insurance because a no-fault system would streamline the settlement process, cutting down on legal costs.

"The present system clearly encourages injured parties to resort to lawsuits and to try to get as much compensation as they can," says Jack Lyndon, president of the Insurance Bureau of Canada. "The increasing size of court settlements, the cost of hiring lawyers and pursuing litigation, and the sheer mass of red tape has a tremendous impact on the cost of car insurance."

Continued from page 4

concentrate being transferred - i.e. 100 tons per day. By our calculations, with each rail car holding about 80 tons and five rail cars used daily, there are, in fact, about 400 tons per day being moved. The additional figure stated as 12 trips per day by truck is also misleading, in our opinion. Again our observations indicate closer to thirty truck movements per day, over twice what was originally stated. This is now further compounded with the additional trucks involved in the spring clean-up blitz for snow removal - a condition which should have been dealt with throughout the winter.

Furthermore, we are con-

cerned with wind blown contaminants landing in the surrounding residential area may leach into ground soil and water.

Reference was made to our intention to seek legal counsel in having this site removed from a populated area. Let us point out that our committee also wishes to solve the problem in harmony with CP Rail rather than confronting them in court. However, with the information available to us, we see no other alternative but to pursue any legal options we may have in this situation.

Rose Renaud  
Chairperson  
Concerned Citizens  
Committee of Schreiber



## TRAVEL

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### Joe Mykietyn (Agent)

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## NURSES WEEK

In honour of Nurses Week  
**May 7 - 13**

### A Blood Pressure Clinic

will be held  
May 10, 1 - 4 p.m.  
at the Chimo Club in Schreiber  
May 11, 1 - 4 p.m.

Conference Rm. Terrace Bay Rec Centre  
**EVERYONE WELCOME**

ANNUAL MEETING

## Disability Action Group

McCausland Hospital  
May 18th 7 :00 p.m



## PITCH-IN '89

May 1-7



### The Corporation of the Township of Terrace Bay

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#### French Language Services Act

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The Thunder Bay District Health Council is establishing a French Language Health Services Committee to advise the District Health Council on the planning and organization of health services in French in communities in the District where French language services are required by the French Language Services Act.

Terrace Bay is allocated one representative on this committee. Meetings would be held in Thunder Bay, approximately once per month on a weekday. Expenses would be paid by the District Health Council.

Any adult resident of Terrace Bay is eligible to be nominated to this committee. Interested parties should apply in writing to the undersigned by Monday, May 8, 1989.

David C. Fulton  
Clerk-Treasurer Administrator  
Township of Terrace Bay  
P.O. Box 40  
Terrace Bay, Ontario  
P0T 2W0

Terrace Bay/Schreiber Lion's Club Second Annual

# "AUCTION"

## FLEA MARKET/YARD SALE

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### Terrace Bay Arena - Saturday, May 13, 1989

### 10:00 a.m. - 5:00 p.m.

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Admission: \$1.00 per adult, children under 18; free. Auction starts at 2:00 p.m.  
Auction items may be previewed Friday May 12, 1989 from 8:00 p.m. - 10:00 p.m.  
Admission entitles you to a chance at the door prize plus an auction card.  
Now's your chance to do your spring clean-up. No items too small or too big.  
You could have it put in our auction for a fee, donate it to us or sell it yourself at your own table.  
Table rental: \$10.00. For further information contact (after 6:00 p.m.):  
**Bob Hopper - 825-3712 Tom Dickson - 825-9739 Colin Crown - 825-9678**

### DOOR PRIZE - 5" TELEVISION

All Lion's Club proceeds will be donated to "Life Line".  
YOUR SUPPORT OF YOUR LOCAL LION'S CLUB IS GREATLY APPRECIATED

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