

**INSULT **TO** INJURY**

# Cap on Claims Survey

**Report**

**May 2018**



# METHODOLOGY

This report details the results of an online panel survey conducted with 400 residents of Newfoundland & Labrador (18 or older). The data was collected between May 8<sup>th</sup> and May 14<sup>th</sup>, 2018.

The objective of the survey was to measure awareness and opinions related to a proposed cap on claims for pain and suffering.

Panelist responses were submitted confidentially and results are only reported at an aggregate level.

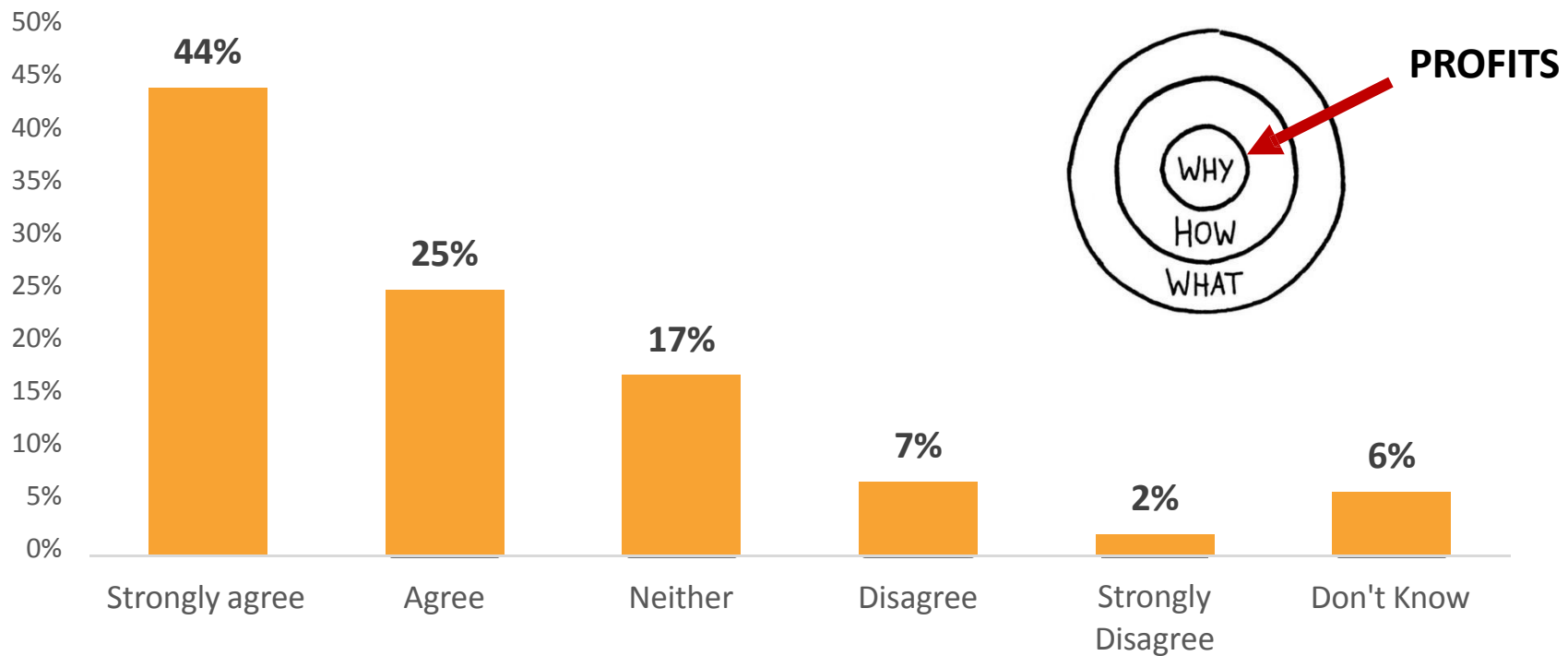


# RESEARCH FACILITATOR

- Research carried out by third-party, non-affiliated company - The Research Design House based in Halifax, NS
- Led by Market Research Strategist David Dudka
- 27 year track record in helping a wide range of public and private sector organizations understand the behaviours and attitudes that shape the decisions of their target audiences
- Approach that couples scientific rigor with creativity to get accurate and precise results
- Areas of expertise include market analysis, data analysis, segmentation, creative testing, exit surveys, panel studies, telephone and online surveys, customer satisfaction studies, new product development, brand strategy and focus groups

# WILL A CAP INCREASE PROFITS FOR INSURANCE COs?

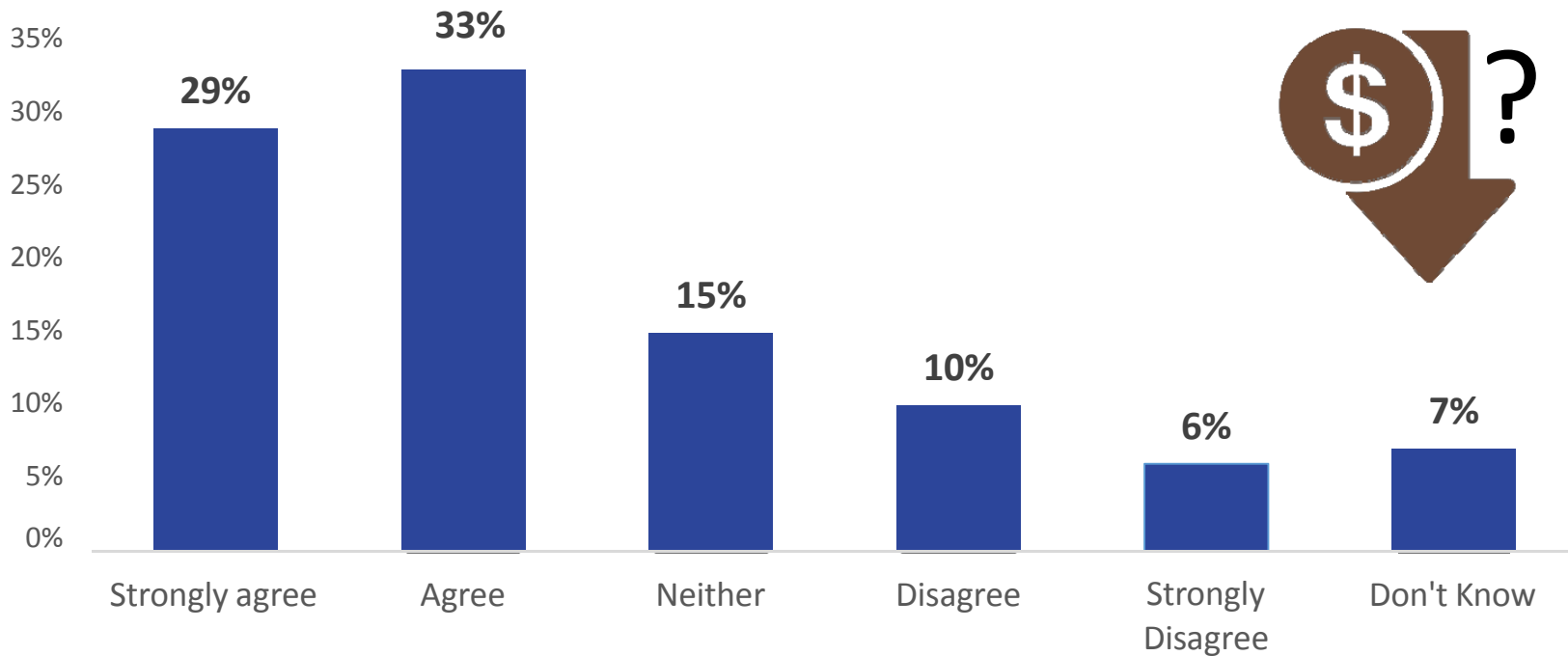
While there is uncertainty as to the benefits of a cap for rate payers, most (69%) Newfoundland residents believe it will mean more profits for insurance companies. Older residents (55+) are more likely to hold this belief than those under 35 (76% vs 62%).



Golden Circle: Simon Sinek

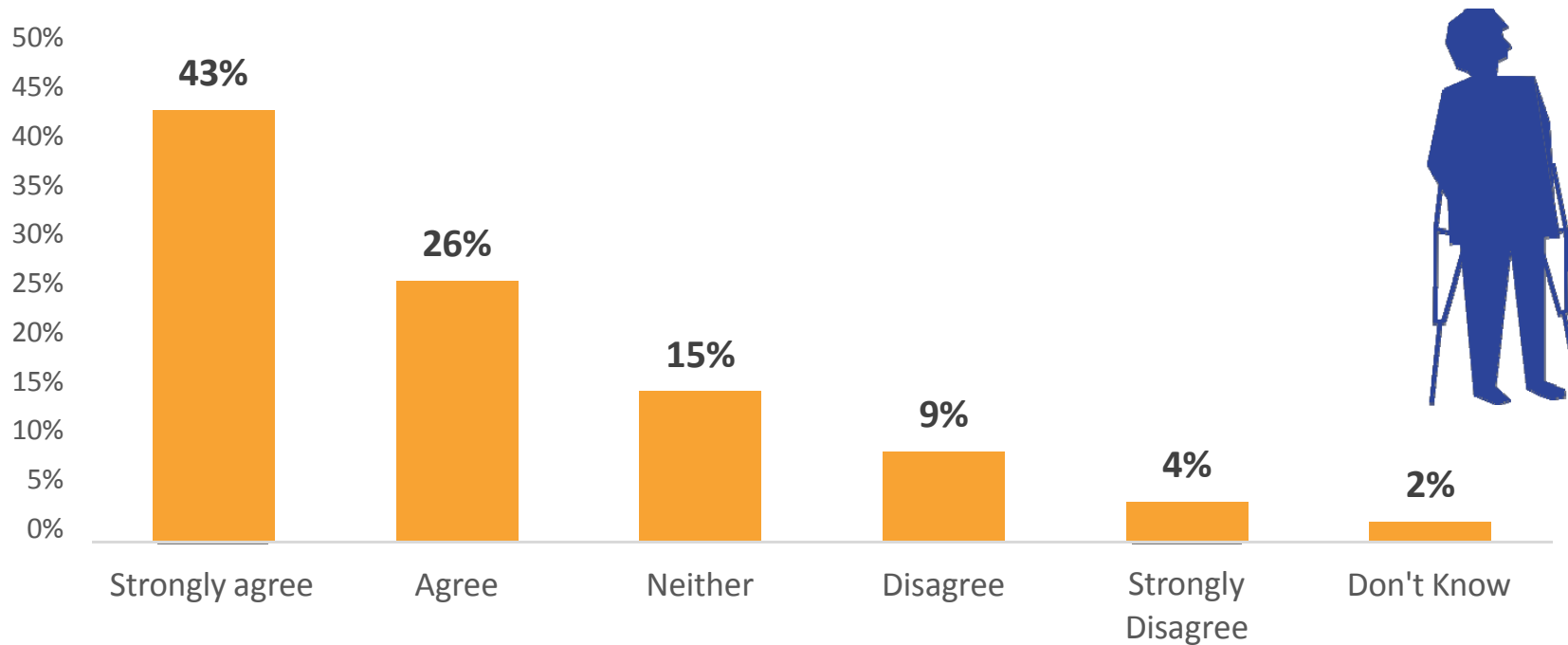
# AGREE A CAP WON'T LOWER PREMIUMS

Newfoundland residents are also skeptical that a cap on claims for pain and suffering will result in meaningfully lower premiums. Six in ten (62%) agree that a cap will not lower premiums; four times more than those who believe a cap will lower insurance costs (16%).



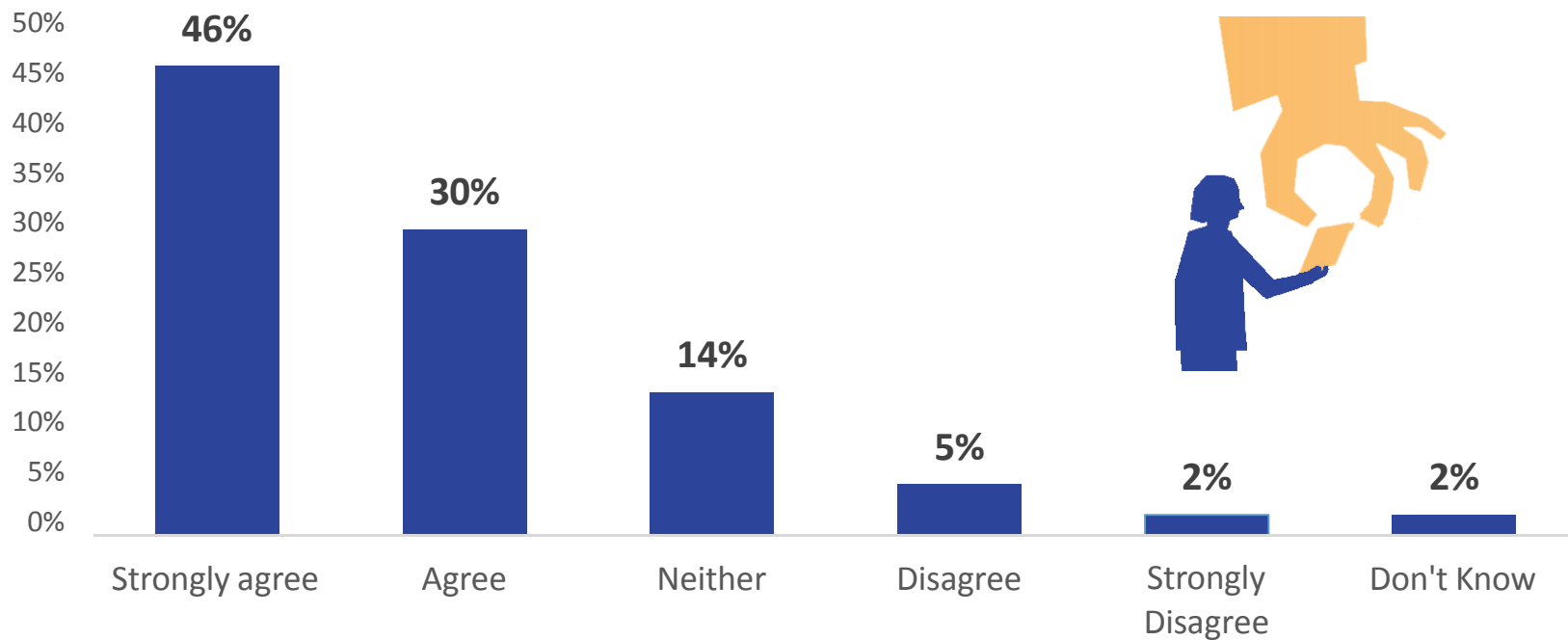
# AGREE A CAP WILL TAKE AWAY VICTIMS RIGHTS

Seven in ten (70%) Newfoundland residents agree that a cap for pain and suffering would take away a victims rights to fair compensation; 43% strongly agree. This belief appears to universal with similar levels of agreement across gender, region, age, education and income.



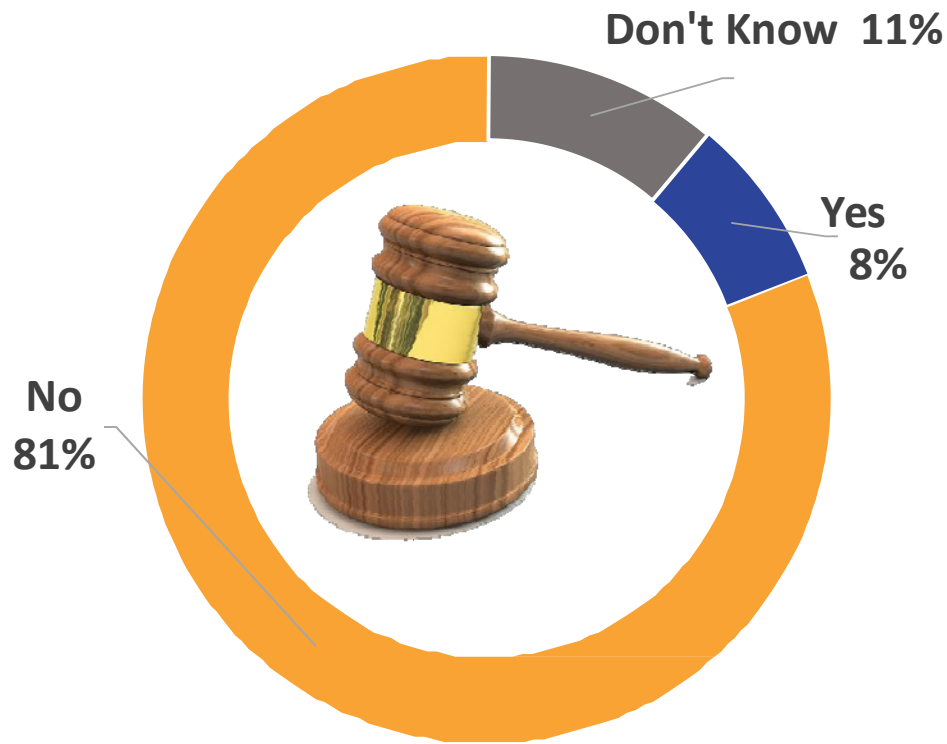
# AGREE INS COs SHOULD NOT DECIDE ON COMPENSATION

Most Newfoundland residents (77%) agree that insurance companies should NOT have the power to decide on what is fair compensation for injuries



# SUPPORT FOR INS COs DETERMINING SETTLEMENT

An overwhelming majority of Newfoundland residents do NOT support a system where the insurance adjuster for the party who caused your injuries has the power to tell you what your pain and suffering is worth.

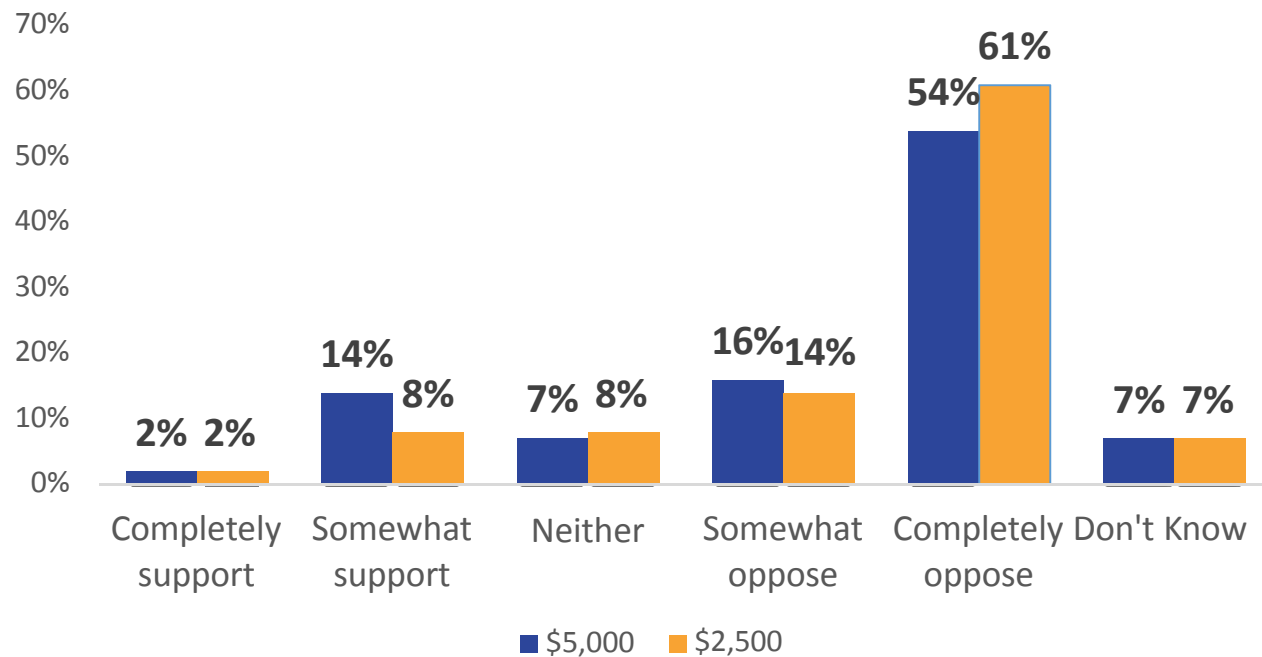




# SUPPORT/OPPOSITION FOR A CAP OF \$5,000

A majority (70%) of Newfoundland residents oppose a cap of \$5,000 on claims for pain and suffering. 61% of Newfoundland residents would be 'Completely Opposed' to this amount.

\$5,000



# SUMMARY RESULTS

- Newfoundland residents are unconvinced that a cap on claims for pain and suffering will result in a stronger more stable industry that will benefit both ratepayers and insurance companies. What they are convinced of is:
  - A cap will result in higher profits for insurance companies (69% agree)
  - A cap won't lower premiums much (62% agree)
  - A cap will take away the victims right to fair compensation (70% agree)
  - Insurance companies should not have the power to decide on what is fair (77% agree)
- Eight in ten (81%) residents don't support a system where the insurance adjuster for the party who caused their injuries has the power to tell them what their pain and suffering is worth.
- 70% of Newfoundland residents oppose a cap on claims for pain and suffering of \$5,000.