

NEWFOUNDLAND AND LABRADOR AUTO INSURANCE

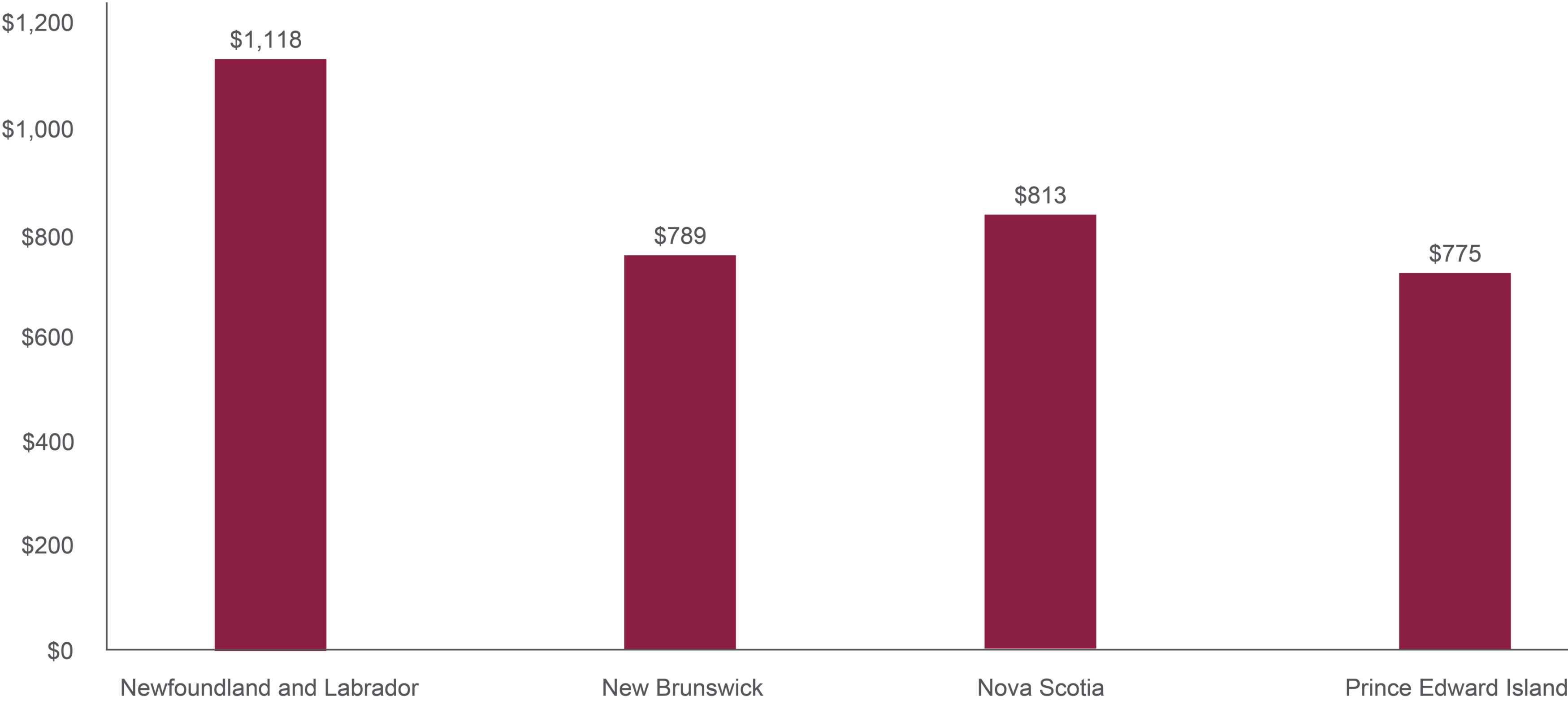
WORKING TOGETHER TO CREATE BETTER
AUTO INSURANCE FOR CONSUMERS

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Vice-President, Atlantic, IBC

June 4, 2018

Average Written Premium, 2016

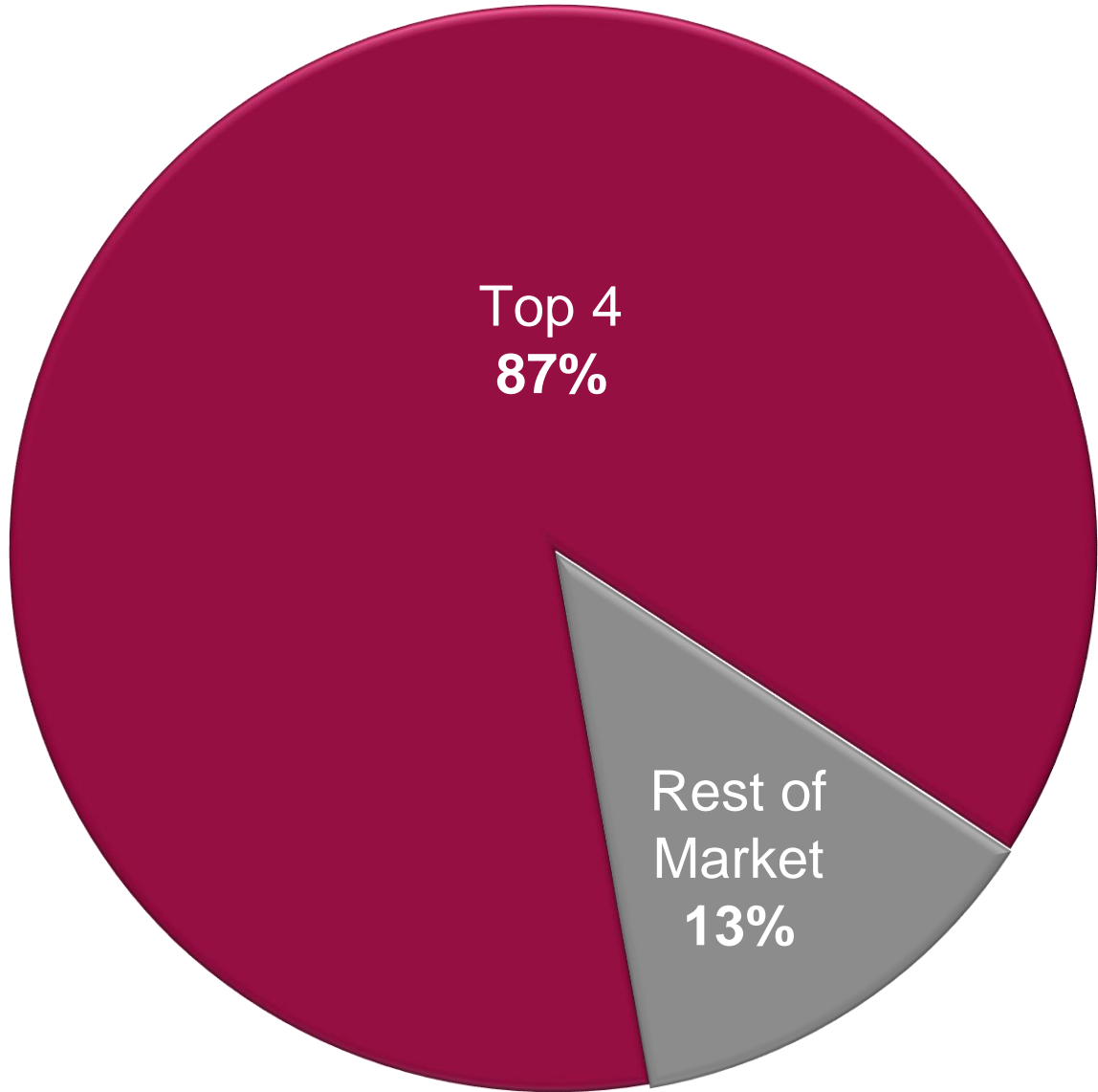


Source: IBC with data from GISA.

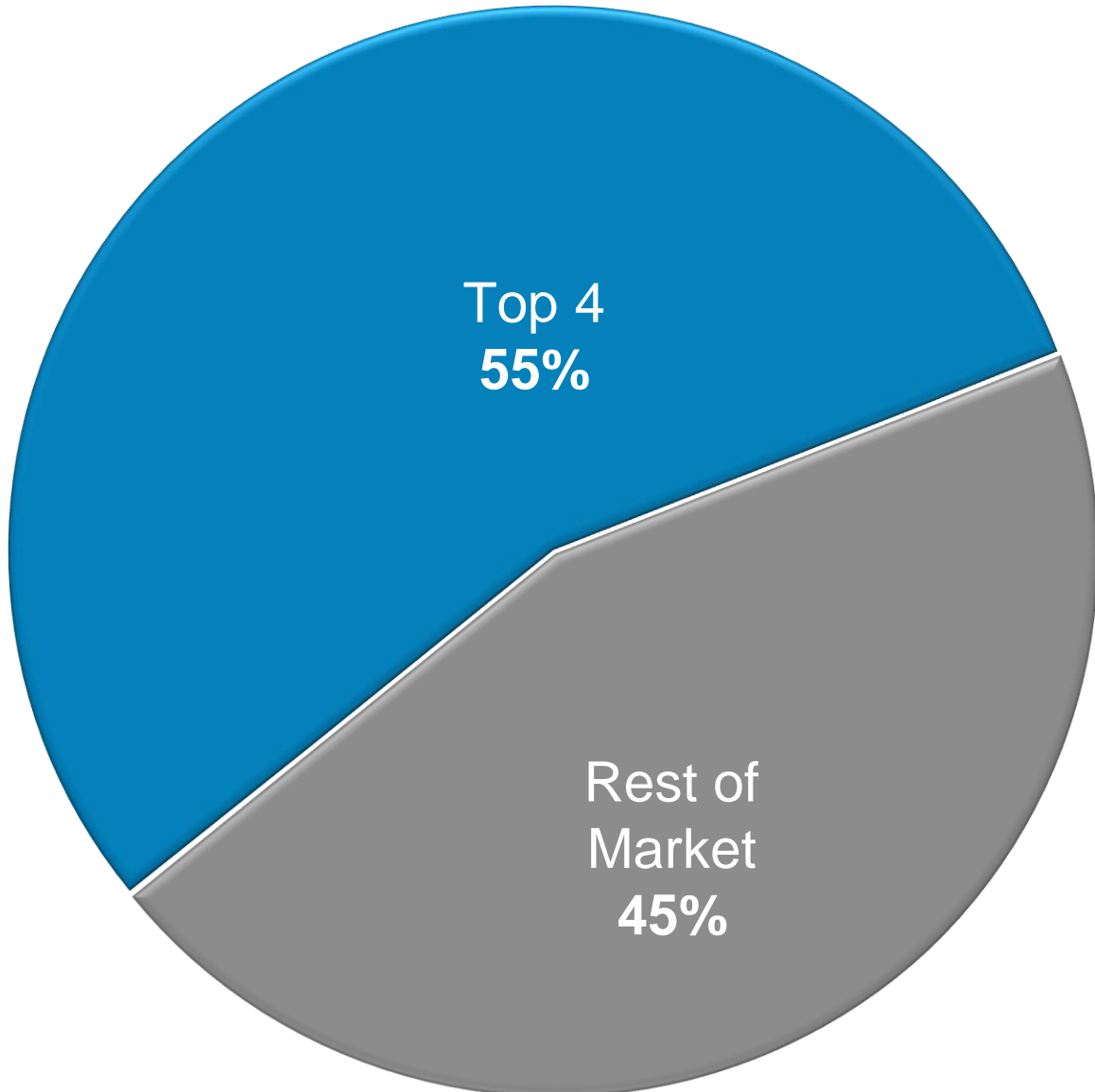
Fewer Companies Choose to Compete in NL

Total Auto Insurance Market Share

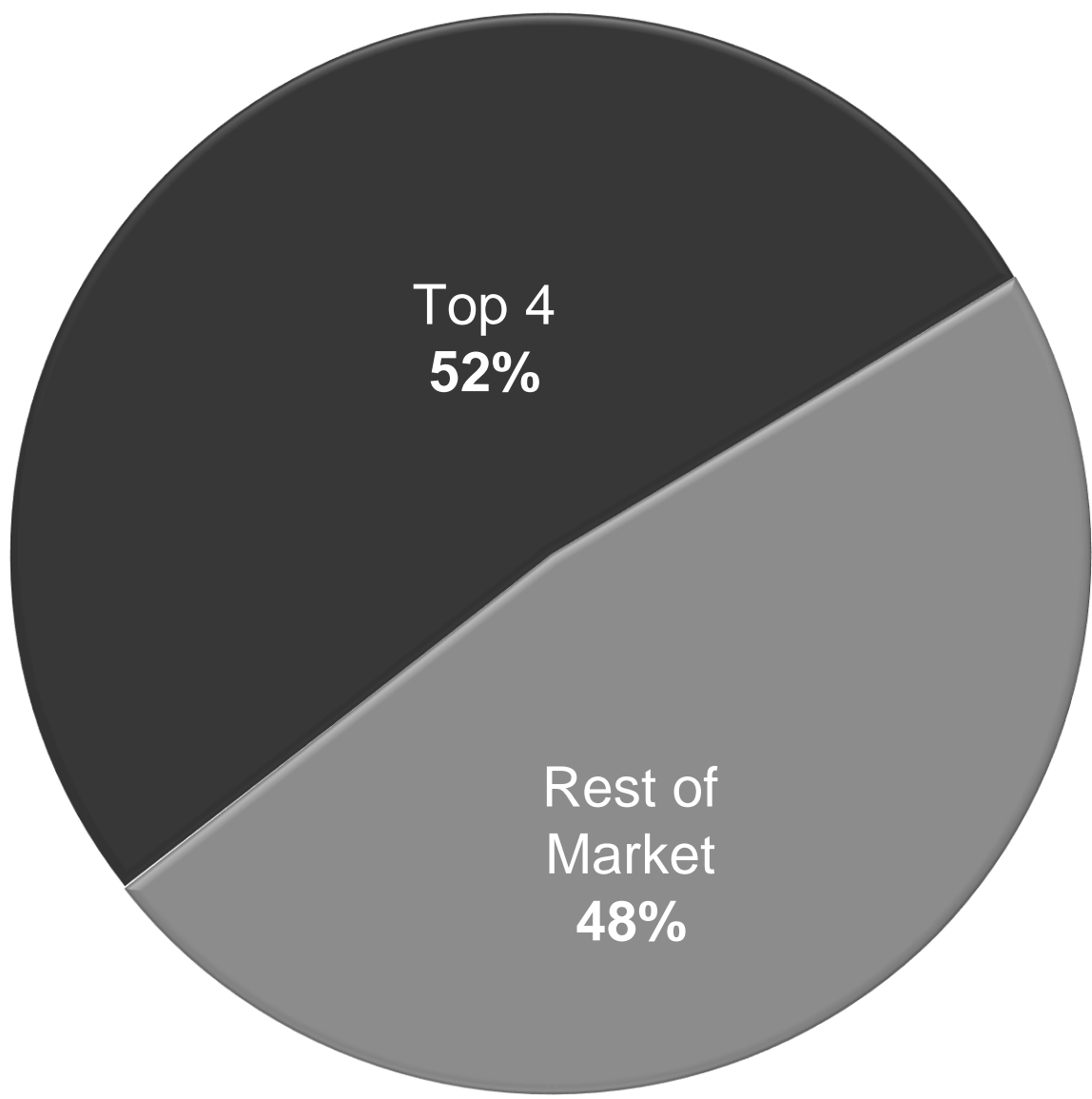
NEWFOUNDLAND
AND LABRADOR



ALL OF CANADA

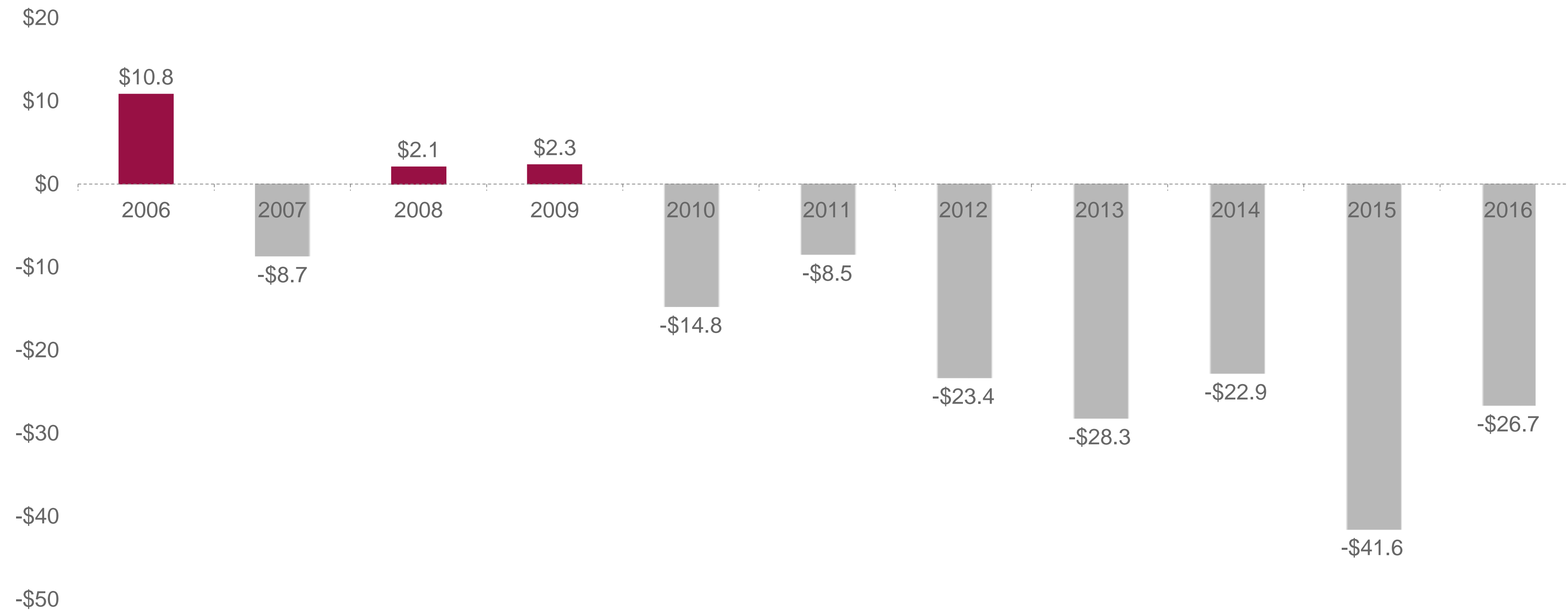


MARITIMES

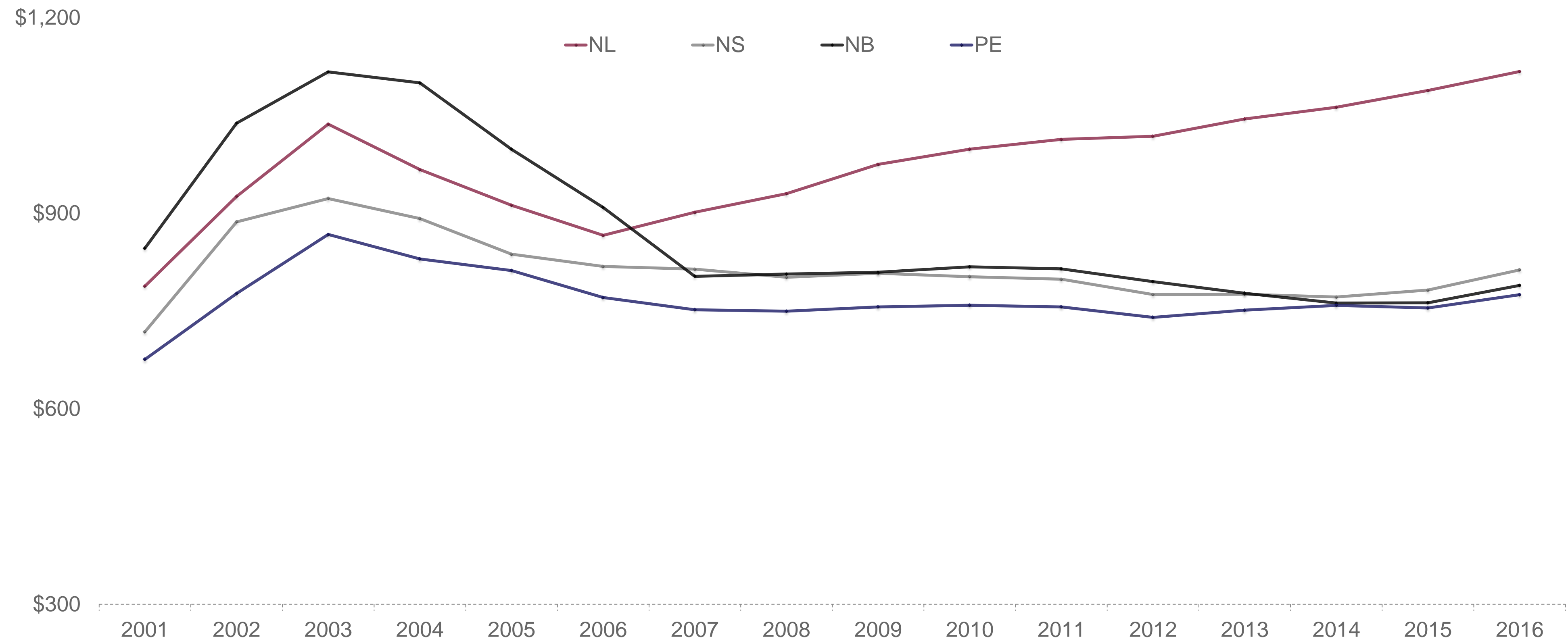


Source: MSA, excludes Lloyd's, Genworth and Canada Guaranty Mortgage Insurance

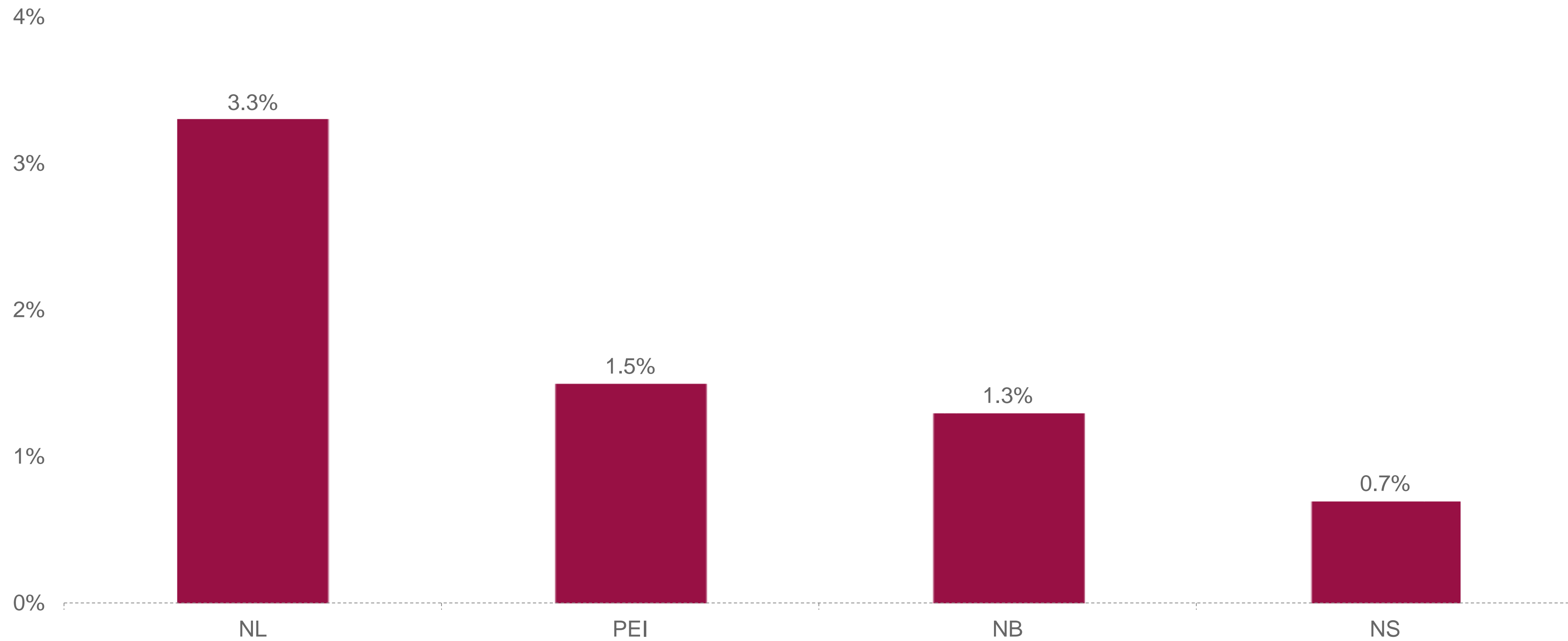
Average Annual Underwriting Loss, Millions



Average Premium by Province

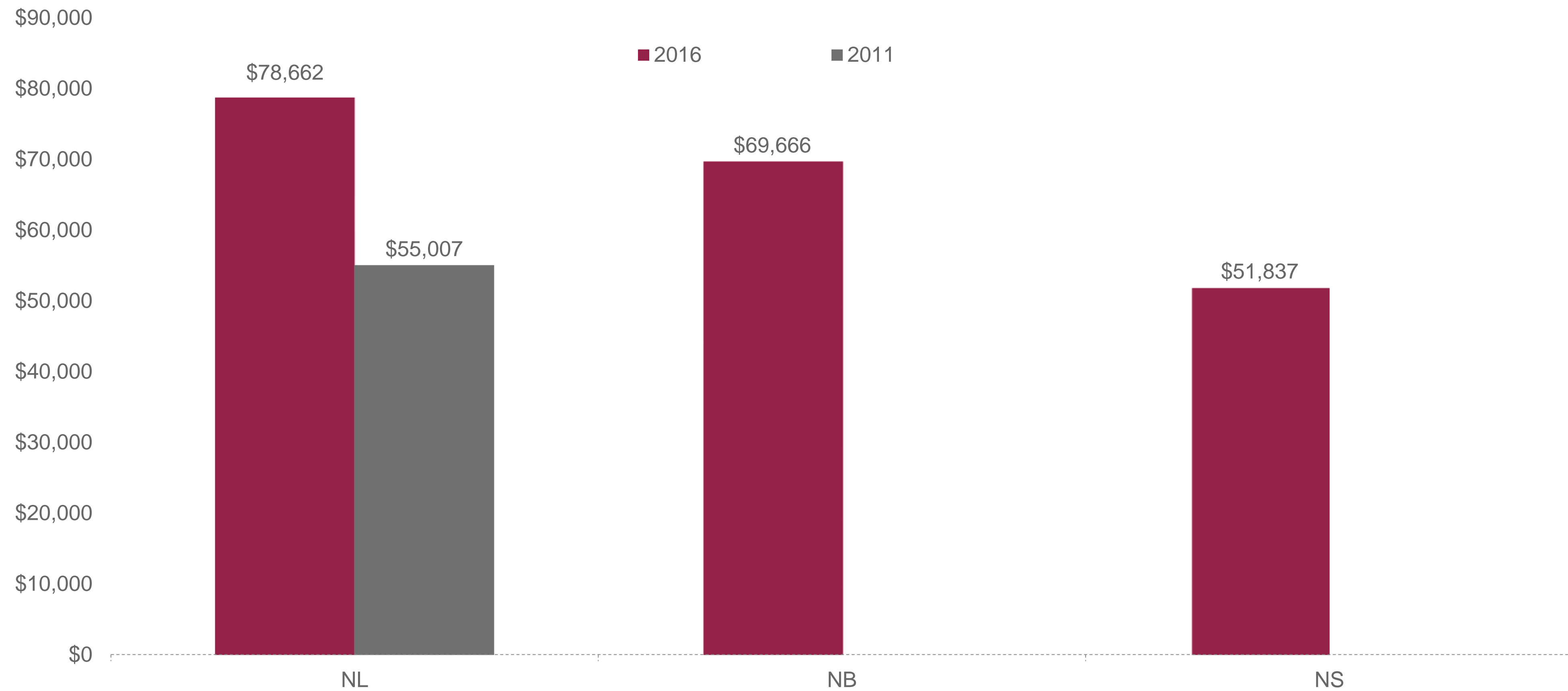


Market Share of the Facility Association

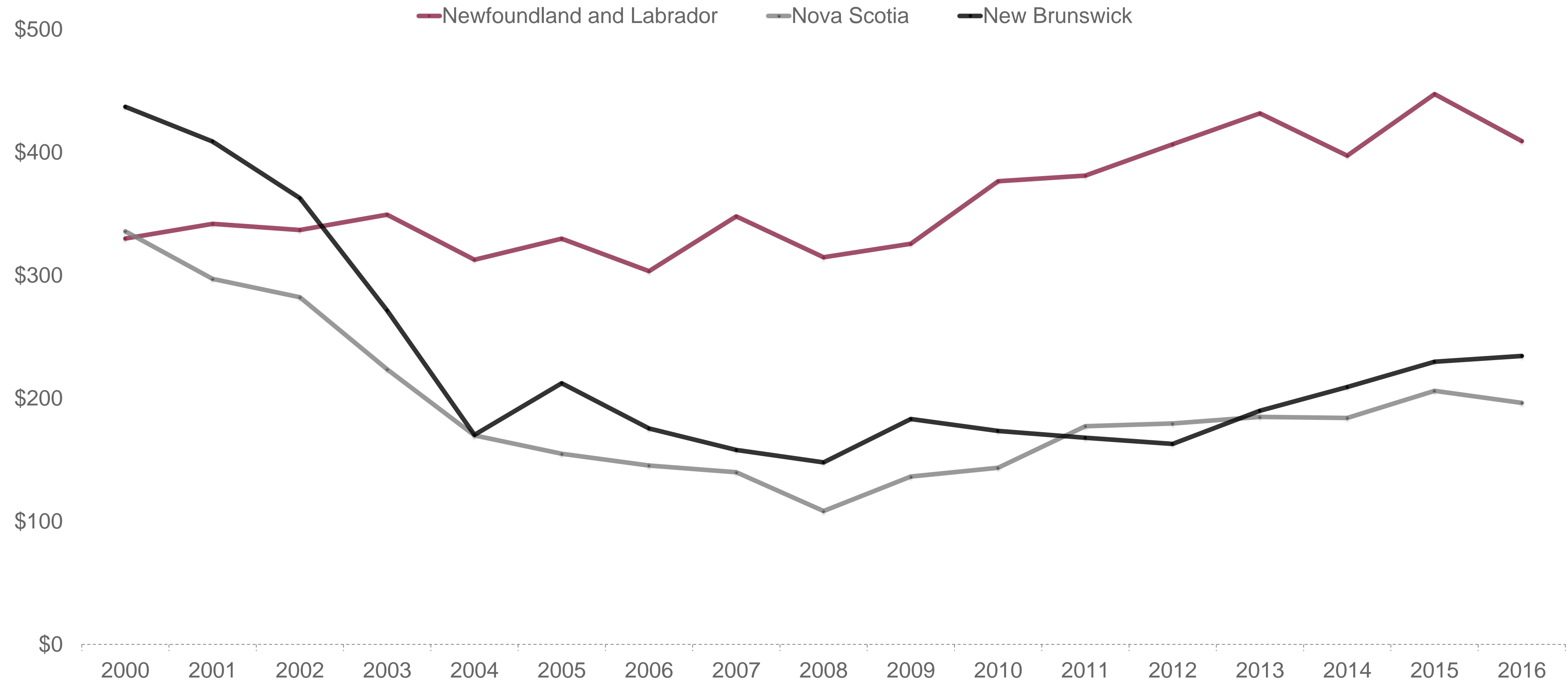


Claims Costs Higher in NL

Average Bodily Injury Claim Cost by Coverage, 2016

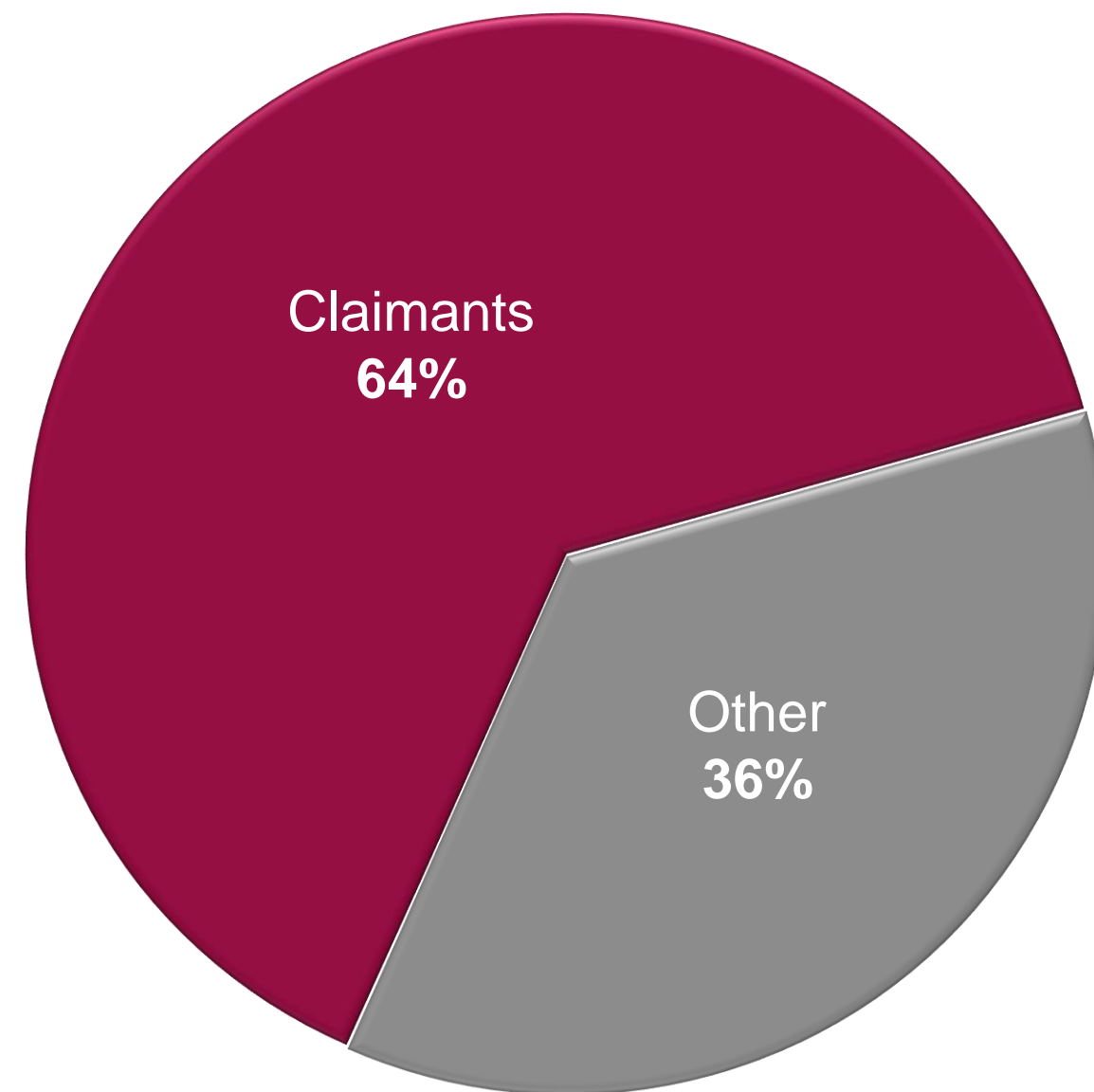


Bodily Injury Claims Cost Per Vehicle



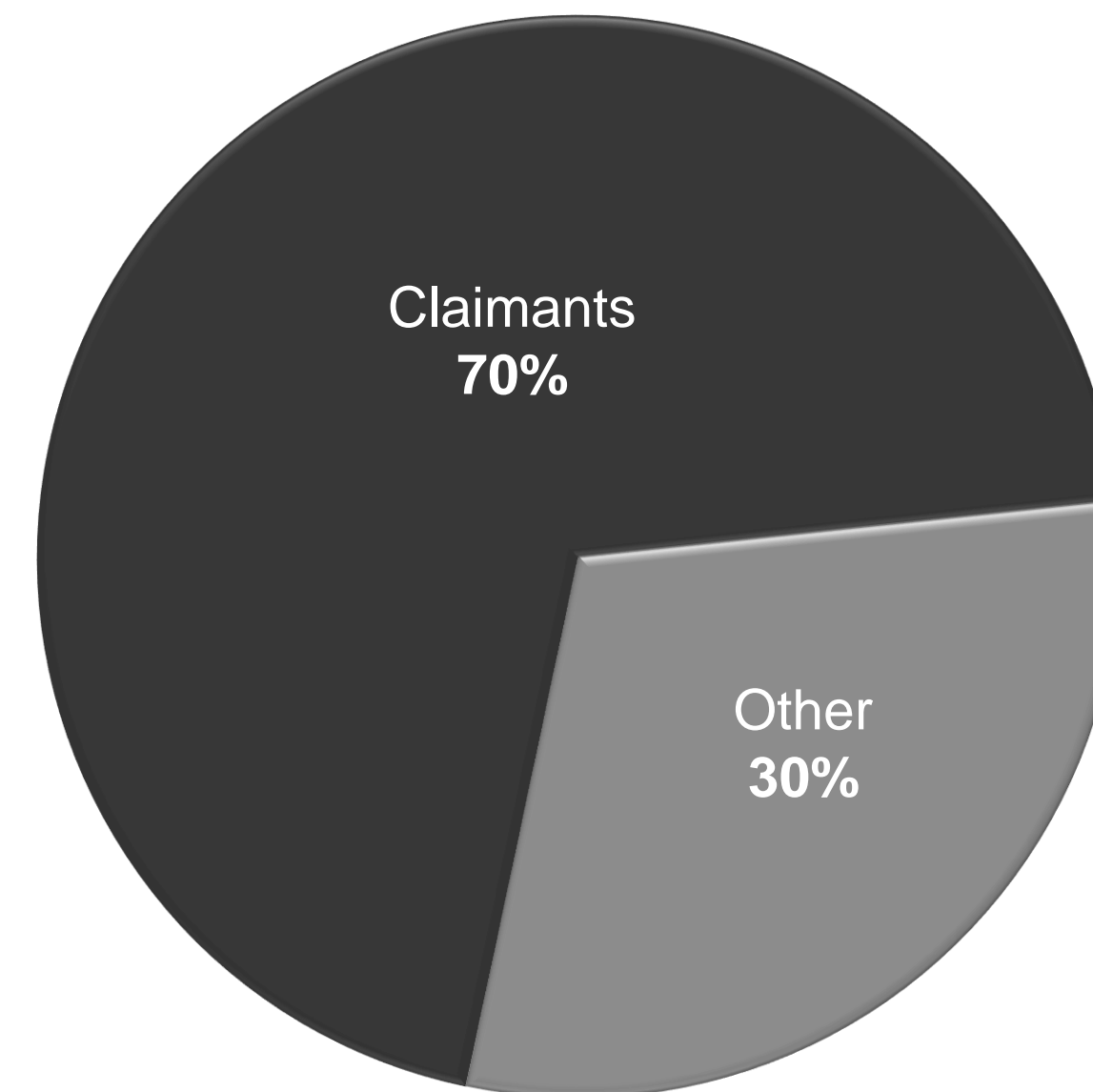
Bodily Injury Closed Claims Study

ALL CLAIMANTS



Average non-pecuniary damages award of \$25,000, 64% of the total settlement

MINOR INJURY CLAIMANTS



Average non-pecuniary damages award of \$22,000, 70% of the total

Recommendations for Reform

OBJECTIVES

- ① Stabilize premiums by reducing and stabilizing bodily injury claim costs
- ② Improve health outcomes for people injured in collisions by providing access to treatment based on current medical evidence and by having appropriate accident benefit levels
- ③ Make it easier for people to repair and replace their damaged vehicles

\$5,000 Non-Pecuniary Damages Cap

- The current \$2,500 deductible has become a small cost of doing business
- A \$5,000 cap, linked to inflation, will be a better bodily injury cost control measure
- In 2019, British Columbia is implementing a \$5,500 cap

\$5,000 Non-Pecuniary Damages Cap

- Minor Injury Definition should be in line with prevailing medical literature
- Nova Scotia – Only basic sprains and strains
- Alberta, Ontario, New Brunswick, Prince Edward Island, British Columbia – all injuries deemed to be minor by medical literature

Accident Benefits Reform

- Newfoundland and Labrador is the only province without mandatory accident benefits (Section B)
- Increase medical and rehabilitation treatment up to \$50,000
- Increase disability income to up to \$250 per week
- Establish diagnostic and treatment protocols that provide pre-approved treatment

Direct Compensation Property Damage

- Enable consumers to file third-party vehicle damage claims with their own insurer
- Only Newfoundland and Labrador and Alberta have tort-based vehicle damage claims settlement models
- Ontario and the Maritimes have already implemented DCPD, allowing for faster claim settlement

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THANK
YOU



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