

# NOVA SCOTIA LIBERAL AUTO INSURANCE PLAN

*The Liberal four-point  
plan for auto insurance:*

- Reduce rates by 15 per cent
- Future rate increases will be regulated and stabilized by the UARB
- UARB review of underwriting practices to recommend safeguards against unfair discrimination based on age, the age of vehicle, geographic region, etc.
- Establish permanent Consumer Advocate who will report to Nova Scotians through the Legislature, not to the Premier



# NOVA SCOTIA LIBERAL AUTO INSURANCE PLAN



*"Our four-point plan offers a fair and practical solution that will bring relief to consumers and stability to the industry."*

*Danny Graham, Leader, Nova Scotia Liberal Party*

## THE LIBERAL FOUR-POINT PLAN

*Auto insurance rates will be reduced by 15 per cent*

- Legislation as soon as possible after election of a Liberal government
- General damage claims for whiplash-type injuries modified to achieve savings
- General damage levels determined by UARB

*Protection from “rate shock”*

- Enhanced authority of UARB to review rate increases
- Automatic UARB hearing for increases over five per cent

*Protection from unfair discrimination in coverage or rates*

- UARB investigate discriminatory underwriting practices by insurance companies
- Includes, but not limited to, age, age of vehicle, geographic discrimination
- Establish transparent underwriting requirements

*Establish permanent Consumer Advocate*

- Accountable to Nova Scotians through Legislature
- Investigate complaints and review consumer issues
- Report annually

## NOVA SCOTIA LIBERAL AUTO INSURANCE PLAN

*Time for Action*

On May 13, 2003, the Nova Scotia Utility and Review Board recommended that, as a result of out of control automobile insurance rates, “Government would be well justified in considering the desirability of alternate regulatory models or making other structural changes in the automobile insurance system.”

*We agree. The time for talk has ended. Nova Scotians are calling for leadership.*

The Liberal team is ready to provide it with a four-point plan based on the principles of fairness, affordability, stability, and access.

  
**Liberal**

## *Questions and Answers*

*Why not a government-run system?*

A government-run system would be financially risky. Startup costs and the possibility of compensation for the insurance industry under the provisions of NAFTA could be in the hundreds of millions. In addition, the taxpayer would be responsible for losses by a government-run system. The Liberal Party is committed to stopping the growth of Nova Scotia’s debt. We will not risk adding millions to it through the establishment of a government-run insurance scheme.

*Why not a no-fault system?*

First, the system we have has served Nova Scotians well for many decades, although we have seen malfunctions over the past couple of years. Our plan addresses those areas that are not working, specifically, the high rates, the rapid increase in rates, and the rapid increase in general damage claims for whiplash-type injuries. A no-fault system would remove from Nova Scotians the option to seek compensation through the courts for injury sustained in an accident. In addition, there is no compelling evidence to suggest it leads to cheaper rates, better compensation, or safer roads.

*What if I’m injured under the Liberal plan?*

Nothing would change unless your only injury is whiplash. If you suffer whiplash-type injury, you will still be able to recover all economic and out-of-pocket losses (eg. lost wages, medical benefits). General damages, over and above those economic losses, will still be available to you, but they will be limited to a scale determined by the UARB. Most Canadians are not able to sue for “pain and suffering” general damages for all types of injury. Nova Scotians will still have a more generous range of awards for general damage than most other Canadians.