

## **MEDIA RELEASE**

**July 15, 2010**

### **"Same old auto insurance roller coaster of high premiums, reduced coverage"**

TORONTO, July 15—Today's auto insurance rate approvals released by the Financial Services Commission of Ontario (FSCO) essentially hold rates flat for Ontario consumers while dramatically reducing their coverage.

"Consumers are essentially paying about the same for insurance, but are getting much less protection," said Dale Orlando, President of the Ontario Trial Lawyers Association (OTLA). "For example, in some cases medical and rehabilitation coverage is being reduced from \$100,000 to \$3,500. With such a dramatic decrease in coverage without a corresponding reduction in premium, we can only expect a corresponding increase in insurer profits.

"What consumers haven't been told is that they will face large premium increases after September 1, 2010 if they choose to buy options that may not even restore their protection to current levels," Orlando added.

The more choice and flexibility referred to in the FSCO announcement only means that consumers will have to pay much more for the coverage they have now.

The current reforms have done nothing to protect consumers from the dramatic changes to their coverage and have failed to address the restrictions on the rights of innocent accident victims to receive fair compensation from those who cause injury. Innocent accident victims must still show they have suffered a very significant injury to receive compensation and some claims are still subject to a \$30,000 deductible.

According to data released by FSCO today, auto insurance rates are still nearly 20 per cent higher than they were in 2007. With the current announcement consumers need to ask themselves if they are really better off with the current round of reforms. "Consumers should be unhappy with reforms that see them paying more for less coverage," Orlando said. "After 20 years of no-fault in Ontario we're on the same old auto insurance roller coaster of ever-increasing rates, with reforms that have failed to protect consumers from higher premiums or erosion of their rights."

OTLA wants to ensure that consumers are fully aware of the impact the current reforms will have on them. OTLA urges all consumers to properly protect their families by purchasing the optional benefits that will become available after September 1, 2010 to maintain their current levels of protection. "No one imagines that they will ever be in an accident, much less an accident causing serious injury. We don't ever want to regret not providing our loved ones with the protection they need," said Orlando.

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About **Ontario Trial Lawyers Association** ([www.otla.com](http://www.otla.com))

Founded in 1991, the Ontario Trial Lawyers Association (OTLA) is an organization of almost 1,200 plaintiff lawyers, law clerks, articling students and law students. Its mission is to champion the cause of those who have suffered injury or injustice. OTLA members are actively involved in efforts to preserve and improve a civil justice system which is equally accessible to all and protects the rights of those who have suffered injury or losses as a result of the wrongdoing of others.

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