

Auto insurance rates headed up again

Publication info: Trail Times ; Trail, B.C. [Trail, B.C]25 Nov 2002: 2.

[ProQuest document link](#)

ABSTRACT (ABSTRACT)

"I don't think there's any point in being ideological about this," said [Gordon Campbell]. "What's important is B.C. motorists have the lowest possible rates. You do that by managing ICBC in a professional manner." Corporation chairman Nick Geer told the cabinet the rate increases were needed to ensure reasonable returns for the Crown corporation. British Columbians will still enjoy some of the lowest automobile insurance rates in Canada despite the rate increases, Geer said.

FULL TEXT

VICTORIA (CP) -- Automobile insurance rates in British Columbia are going up by an average of 4.8 per cent, but they could be higher or lower depending on where a driver lives. The provincial Liberal government approved a rate increase Friday for the publicly owned Insurance Corp. of British Columbia during an open, televised cabinet meeting. The increase follows last year's 7.4 per cent increase, the first rate hike in six years. The former New Democratic Party government had frozen rates. Premier Gordon Campbell denied the rate hike breaks Liberal election promises to introduce greater competition in auto insurance, create more choice and reduce premiums. The government decided to keep the corporation as the sole provider of basic automobile insurance, distributed through independent brokers, as a way to prevent rates from skyrocketing, he said. "I don't think there's any point in being ideological about this," said Campbell. "What's important is B.C. motorists have the lowest possible rates. You do that by managing ICBC in a professional manner." Finance Minister Gary Collins said the government decided the current insurance market was too shaky to rapidly move to full competition for automobile insurance. "The reason we did that was because all the signals we got back from the marketplace ... indicated that if we just blew up ICBC, moved everything into competition, rates would go up in double digits," he said. "We've done what is the right decision. I have no difficulty defending that for anyone." Corporation chairman Nick Geer told the cabinet the rate increases were needed to ensure reasonable returns for the Crown corporation. "Operating at a loss is just not acceptable," he said. Claims costs are up by \$181 million over the past year, Geer said. Bodily injury claims are up almost eight per cent, property damage claims increased by four per cent and theft claims rose by 10 per cent, he said. The corporation cut 1,300 employees and reduced controllable expenses by 22 per cent in the last year, Geer said. British Columbians will still enjoy some of the lowest automobile insurance rates in Canada despite the rate increases, Geer said. Automobile insurance rates across Canada increased by an average of 18.7 per cent in the last year, said Geer. Rates in Alberta jumped by 36.6 per cent, he said. About one million of the province's 2.7 million motorists will see their insurance rates decrease, he said. The increases are immediate for new customers and Jan. 1 for renewals.

The rate hikes should serve as a wake-up call for motorists and traffic safety agencies, the British Columbia Automobile Association said.

The increases were justified partly on grounds of increased thief and collision claims. That should signal an alarm that action is required to help motorists protect themselves against theft and improve traffic safety, the association said.

At its meeting, the cabinet also approved new directions on aboriginal treaty negotiations.

Attorney General Geoff Plant said the province will no longer ask aboriginals to give up what they consider historic rights in order to achieve certainty in treaty settlements.

Cabinet also approved the transformation of Royal B.C. Museum to a Crown trust, giving the institution more independence over its business and exhibits.

Credit: Canadian Press

DETAILS

Publication title:	Trail Times; Trail, B.C.
Pages:	2
Number of pages:	0
Publication year:	2002
Publication date:	Nov 25, 2002
Dateline:	VICTORIA
Section:	Provincial
Publisher:	Postmedia Network Inc.
Place of publication:	Trail, B.C.
Country of publication:	Canada, Trail, B.C.
Publication subject:	General Interest Periodicals--Canada
Source type:	Newspapers
Language of publication:	English
Document type:	News
ProQuest document ID:	358049567
Document URL:	http://ezproxy.llbc.leg.bc.ca:2048/login?url=https://search.proquest.com/docview/358049567?accountid=25387
Copyright:	(Copyright TRAIL DAILY TIMES 2002)

Last updated: 2010-06-22

Database: ProQuest Central

LINKS

Database copyright © 2020 ProQuest LLC. All rights reserved.

[Terms and Conditions](#) [Contact ProQuest](#)