



Newfoundland and Labrador 50 + Federation Inc.

P. O. Box 407
Glovertown, NL A0G 2L0

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All Members

NL 50 + Federation

It has come to our attention that the Provincial Government is in the process of reviewing the Automobile Insurance Act, with the possibility of incorporating caps and deductibles on various amounts of automobile insurance claims. What this means is if you are injured in a car accident, you will lose the right to access justice for an injury claim. The insurance industry will simply impose a maximum general damage amount (\$2500 - \$5000) regardless of the circumstances. Some people may be entitled to five (5) times that amount or more.

On behalf of the Board of Directors of the Newfoundland and Labrador 50 + Federation, with its 134 Clubs in the province, we strongly encourage Clubs to oppose any implementation of any caps on automobile insurance claims.

It is our understanding that in the province, insurance companies, last year had a profit of one hundred (100) million dollars. Should caps be approved by the provincial government, it is estimated that the insurance companies would increase their profits by fifty (50) million dollars per year. We should not allow the insurance industry to make more money while accident victims lose their right to the compensation they deserve.

Again, it is our understanding that if a cap is approved the insurance companies may reduce premiums, however there is no guarantee that this will happen. For example, in other provinces with a cap, premiums are about one hundred and eighty dollars (\$180) less per year. This is not very much savings if the price is giving up possible injury damages when you really need them.

It is worthwhile noting that some jurisdictions, in Canada, where caps were implemented, and the premiums were increased by the insurance companies. It would appear to us that last year's one hundred (100) million dollars of profit was excessive.

In summary, caps or deductibles will seriously affect the ability of a senior to recover their full entitlement to damages in an automobile accident.

We encourage our 6800 members to oppose any implementation of insurance caps or deductibles by making their views known to their Members of the House of Assembly.

Robert J. Rogers

President

Newfoundland and Labrador 50 + Federation Inc.

P. O. Box 407, Glovertown, NL A0G 2L0

Telephone: (709) 533-6189

Email: robertrogers@personainternet.com