

*Private Bills*

companies selling automobile insurance. I am sure you are aware, Mr. Speaker, in fact I believe everybody in Ontario is aware of the high cost of protecting an automobile from accident or protecting yourself from a damage suit. The other day I saw a figure indicating how much the people of Ontario spend for this type of insurance, and if I remember correctly it was about \$600 million that was being spent for dubious insurance protection.

• (6:50 p.m.)

One inherent weakness of all automobile insurance policies in Ontario is that the policyholder must prove negligence before he can recover damages. Let me explain this further. I have paid my insurance premium of \$200. Car drivers in Ontario who are not insured must pay into what is called the unsatisfied judgment fund. This is the best name for it, because everyone who goes to the fund comes away unsatisfied. So it was not a misnomer when it was called the unsatisfied judgment fund. Either people pay their contributions to the fund, or they are forced into an insurance office.

Let me suppose, to illustrate my point, that while I am walking down the shoulder of a road tonight a hit and run driver runs me over and breaks both my legs. I am left lying in the road in the dark. There is no way I can secure compensation for the damage done to my body, let alone the loss of income, the inconvenience and the pain and suffering. Even though this hit and run driver may have paid an insurance premium and I have paid mine, and even though I have suffered physical damage in that my legs are broken—damage which might be worth \$5,000 or \$6,000—the insurance companies are not obligated to accept any responsibility because I cannot identify the driver who ran over me.

Obviously, Mr. Speaker, I cannot chase after the car if both my legs are broken, and obtain some sort of compensation. Therefore I suggest I am paying for a protection that I am not receiving. Each and every one of us walks along the streets of Ontario today at his own risk, even though collectively we have spent \$600 million or so on insurance coverage.

I suggest we should be considering situations of this kind instead of proliferating insurance companies that do not seek to insure us. The last thing in their minds is to provide anybody with protection from loss; they are motivated only to make money. They even write into their contracts, in fine print all sorts of exemptions. A bill was

[Mr. Germa.]

introduced the other day which sought to remove fine print clauses from such contracts. It was suggested that certain clauses be written in red, blue, green or purple ink, but I suggest that this would not solve the problem. We should strike at the root of the matter.

As I was saying, Mr. Speaker, insurance companies are not in business to protect me. They would not care two hoots in hell if I remained on the road with broken legs all night, as long as this did not cost them any money. They make their money by failing to give protection that collectively we have contracted with them to provide. Some people might say that \$200 a year is not an enormous sum, but collectively we contribute a tremendous amount of money by way of insurance premiums.

Automobile insurance companies in Ontario also use gimmicks to raise their rates. Each and every year they invent a different story. One gimmick that was used downgraded their income, so they could go to the public and ask for what they considered to be a legitimate increase in insurance premiums. These premiums, as you know, Mr. Speaker, are paid in advance. I pay my premium for a 12-month period, even though I do not receive the benefit of the insurance until the 365th day. I prepay my \$200, or whatever it is, 365 days before the policy falls due. Some people who understand finance prefer to make quarterly premiums or half yearly premiums. I think the only way to deal with these people is to pay each day's premium the night before. In addition, you do not receive any discount or interest on prepaid premiums, so under the present system it is therefore impossible to get value for your money. These insurance companies use your money free of interest, and hundreds of millions of dollars are involved. I remember I borrowed some of this money that I gave them free of interest to finance some construction on my house, but I had to pay 8½ per cent interest.

This aspect of the matter is bad enough, Mr. Speaker, but according to the figures supplied by insurance companies, prepaid premiums produce revenue for these companies. However, this earning does not show in the balance sheets of insurance companies. I suggest that the returns made by these companies should be straightened out and—

**Mr. Deputy Speaker:** Order. I must advise the hon. member that the time allotted to