

**For Immediate Release**

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**COST REDUCTIONS ARE A GOOD NEWS STORY FOR ONTARIO DRIVERS & AUTO INSURERS**

The Ontario Rehab Alliance (ORA) congratulates the Ontario government on reducing auto insurance premiums and claims costs.

The recently released annual report from GISA (the General Insurance Statistical Agency) shows two remarkable trends in 2016:

- Despite a 10% increase in the number of insured vehicles to a record of 7.5 million, total net Accident Benefits premiums dipped for the fifth straight year in a row to total \$3.047 billion, representing a 19.4% reduction from 2012 (\$3.782 billion).
- The reduction in net Accident Benefits premiums is a direct result of the decrease in average cost per claim which dipped to \$34,047, the lowest in last 5 years. The most recent average claim cost represents a 12% reduction over the previous year.

The ORA notes that these trends are all the more remarkable because the GISA data does not reflect the additional reductions in Accident Benefits claim costs that are expected from subsequent changes to the Catastrophic Injury definition, reduction in Catastrophic and Non-Catastrophic benefits and the transition to the Licensing Appeals Tribunal (LAT), which is expected to improve dispute resolution in the sector.

“Such dramatic reductions in both premiums and claim costs indicate that the government’s previous strategy is now bearing fruit” says Ms. Laurie Davis, Executive Director of the ORA. “Rushing in with new recommendations based on dated data risks undoing everything the government has accomplished to date and may introduce new unpredictable costs to the system”, she adds. Ms. Davis is referring here to the recently published “Fair Benefits, Fairly Delivered” report by Mr. David Marshall which calls for a broad system overhaul, with many of its recommendations based on 2013 financial data which preceded many of government initiatives which led to the recent reductions.

“We congratulate Minister Sousa on his success to date and urge him to press pause on consideration of any further reform until the last wave of changes works itself through the system and benefits are realized. Victims of Ontario’s motor vehicle crashes have been through enough changes in the past decade and deserve some respite”, says Ms. Davis.

The Ontario Rehab Alliance is a non-profit association representing providers of healthcare and rehabilitative services to Ontarians who are injured in automobile accidents. Its members operate in the auto insurance sector as well as a variety of non-institutional sectors. The ORA advocates for motor vehicle accident victims, adequate insurance benefits, and fair treatment of those injured.

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