



**Consumers' Association of Canada
Association des consommateurs du Canada**

PRESS RELEASE

For Release April 2, 2004

Consumers' Association Welcomes New Brunswick's Proposed Public Auto Insurance Plan

Ottawa, April 2, 2004 - The Consumers' Association of Canada today welcomed the release of the public auto insurance plan for New Brunswick. "The all party committee of the New Brunswick legislature should be congratulated for its efforts to design a new public auto insurance plan that delivers lower costs for consumers," said Mr. Bruce Cran, President of the Association.

As a result of the Weir Committee Report public auto insurance is now a viable option for the people of New Brunswick.

"Drivers in New Brunswick are fed up with the outrageous rate increases by private auto insurers which have caused financial hardship for many families," said Mr. Cran. "Some consumers with clean driving records have been forced to park or even sell their vehicles."

"While consumers have been harmed by these rate increases the insurance industry just reported the largest profits in its history," said Mr. Cran. "Where did these profits come from? Right out of consumers' pockets."

Last year the auto insurance industry persuaded the New Brunswick Government, as well as several other provinces, to impose payment caps for victims of crashes. "We predict that by the end of 2004 these caps will result in even higher profits for the insurance industry," said Mr. Cran.

New Brunswick is following the path of other provinces that implemented public auto insurance systems. Why have these systems stood the test of time? The reason is that public auto insurance offers universal coverage at low, stable rates.

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“A public auto insurance system in New Brunswick would operate as a non-profit corporation accountable to the people of New Brunswick,” said Mr. Cran. “This is the opposite of the situation now.”

“Premier Lord’s Government will now have the responsibility of making a key decision for the people of New Brunswick. That decision is, ‘Does the Government want to introduce a public auto insurance system that provides all consumers access to a fairer, lower cost system or do they want consumers to continue to be subject to the practices of private auto insurers?’” said Mr. Cran.

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