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(Hansard)**

Monday 1 December 2003

Lundi 1^{er} décembre 2003

Speaker
Honourable Alvin Curling

Président
L'honorable Alvin Curling

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LEGISLATIVE ASSEMBLY
OF ONTARIO

Monday 1 December 2003

ASSEMBLÉE LÉGISLATIVE
DE L'ONTARIO

Lundi 1^{er} décembre 2003

The House met at 1845.

ORDERS OF THE DAY

AUTOMOBILE INSURANCE RATE
STABILIZATION ACT, 2003

LOI DE 2003 SUR LA STABILISATION
DES TAUX D'ASSURANCE-AUTOMOBILE

Mr Colle, on behalf of Mr Sorbara, moved second reading of the following bill:

Bill 5, An Act to temporarily freeze automobile insurance rates for private passenger vehicles and to provide for the review and regulation of risk classification systems and automobile insurance rates for private passenger vehicles / Projet de loi 5, Loi visant à geler temporairement les taux d'assurance-automobile dans les cas des voitures de tourisme et à prévoir l'examen et la réglementation des systèmes de classement des risques et des taux d'assurance-automobile les concernant.

Mr Mike Colle (Eglinton-Lawrence): I'm going to be splitting my time with the member from Mississauga West and also the member from Prince Edward-Hastings.

We're here tonight to begin second reading of a very important bill to the over eight million people in Ontario who are motorists who require auto insurance to drive their automobiles. We're talking about their welfare, their investment, their ability to get to work, their ability to take their children to hockey, their daughters to ballet, their sons to drama, whatever it may be. So this is not just about one group of people; it's not about one industry, the insurance companies; it's not about the health care providers. It's about the 8.3 million Ontarians who have to buy auto insurance to drive an automobile in this province.

This whole, challenging topic of auto insurance is not one that faces only Ontario. It faces all of Canada. Even in the United States of America there are many pressures in the field of auto insurance. As we speak, I know the Alberta Legislature is grappling with the same challenge, as are New Brunswick and Nova Scotia. Here in Ontario we are revisiting auto insurance. As many of the members know who were here before, we've had a number of go-rounds with the OMPP, as it's called. Under the Peterson government we had Bill 164, with the NDP government I think we had Bill 59, and then recently we've had Bill 198 with the past Conservative

government. Different governments have tried, I think in good faith, to fix some of the problems that seem to crop up in cycles in auto insurance. They tried their best, and in some cases they succeeded and in some cases they didn't.

As you know, at this time we're faced with skyrocketing rates on premiums that over the last year or so have ranged up in the vicinity of 20%. Many Ontarians are wondering why this happened, and this is why our government is committed to responding to Ontarians. In our white paper we had in our pre-election period—Lower Rates, for a Change—we stated our commitment to do some very basic things. The first thing Premier McGuinty committed to was imposing a freeze on rate approvals, and within an hour of taking office we carried out that commitment. We put a freeze on any new rate approvals.

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As you know, Speaker, the rates of insurance companies eventually get filtered down and end up being your premium costs, and those rates are approved by the Financial Services Commission of Ontario, which is an arm's-length body of the provincial government. As of the Premier's statement of October 23, they have been frozen. Bill 5 formalizes the rate freeze. In other words, no more new rate filings with an increase can be brought forward, so they're at containment right now.

This bill also does something very important. It gives the superintendent of financial services, who is like the government's watchdog for financial services, the power to refuse any rates that have to be submitted by January 23, at the end of freeze. He will have powers to use at his discretion. And as you know, we've made a commitment, and the Premier has made a commitment, that we will reduce auto insurance rates by 10% by the end of the 90 days.

Over the last month, through the Minister of Finance, I have met, along with ministry staff, with dozens of individuals and groups that represent the various participants in auto insurance. About a half hour ago I met with the Consumers' Association of Canada (Ontario). They are very emphatic in saying they want to protect the rights of motorists and gave us some very good advice in terms of how we can best do that.

I also met with the Canadian Automobile Association, which by the way wears two hats. The Canadian Automobile Association not only has an automobile club where they provide services to their members, but they also offer insurance to their members. A lot of people

don't know that, but they offer both. They were very helpful in giving a double perspective on this very complex and challenging file, an insurer's perspective and also a perspective as representatives of, I think, over 1.8 million Ontario motorists.

We met with different individuals, from insurance brokers to insurance company representatives to the Insurance Bureau of Canada to health care providers. Health care providers, along with health care professionals, are very involved in auto insurance, because they provide the needed medical support for people who are, unfortunately, victims of automobile accidents. We talked with everyone from psychologists to occupational therapists to speech therapists. We've been talking with medical doctors, the Ontario Medical Association, the Ontario Chiropractic Association. They are all participants in delivering auto insurance in Ontario.

We gave them the opportunity to give their ideas on how we could provide effective auto insurance protection and services for people in Ontario, and also how we can achieve savings to a system that basically has become dysfunctional. It is dysfunctional because, the fact is, costs are essentially getting out of control and premiums are obviously much out of the affordability of many Ontarians. So we asked them all to give us their ideas on how we could bring down these rates and improve the system.

As I said, we are committed to doing that. We've frozen rates, we're going to proceed with the 10% cut and then we're going to continue to adjust and change the auto insurance model in Ontario, because we feel that more changes are required. Bill 5 is really the first step in improving and stabilizing auto insurance in this province.

We will continue to look at different ways of improving auto insurance. We've stated that we would look at such things as removing the very cumbersome assessment system in Ontario. In other words, if you get hurt in an automobile accident and there's a bodily injury, you get assessed by medical experts. Well, it seems that in Ontario, in many cases there's more money being spent on assessments than there is on medical care or other services.

We're trying to telescope the number of assessments; we're trying to make it more transparent; we're trying to make more of a quick turnaround because people cannot sit around for six to eight months waiting for assessments while they're waiting for medical treatments. So we're going to be looking at the assessment system after the 90 days.

We're also going to be looking at the whole system of policies. I think that if I asked anybody in this room who their insurance provider is, or if we asked the people in Ontario if they know the name of their insurance company—I know that over the last month, almost 90% of the people I asked did not know the name of their insurance company.

This is why one of the things we're going to do as a government is we're going to engage in a public education information campaign where we're going to try to

explain what you get when you buy an insurance policy, what your benefits and rights are, what you're entitled to and what your privileges are under this policy. I think there is a dearth of communication between the insurance providers and the insured. We hope to have more education and communication, because right now in Ontario most people just think of insurance when they get their premium and it's too high, and secondly when they get their pink slip in the mail. But there's more to insurance in Ontario than just getting that pink card that you have in your wallet, because Ontarians are now faced with a dilemma in terms of how to collaboratively, together, fix a system that is totally out of whack. One way of fixing it is getting a better-informed consumer more information about what that means.

It also means changing some of the culture that exists in insurance. There seems to be an attitude out there that if someone "rips off" the insurance company, it's quite all right: "The insurance company is paying for it." Well, folks, we're all in the same insurance pool. If a person defrauds the insurance company—this is a small minority of people—or if they take advantage of insurance, we all end up paying for it in higher premiums. It's not all right to take advantage of the insurance company, because it means you're taking advantage of your constituents, your brother or your sister who has to pay insurance. We have to try to change the culture of, "It's all right; it's the insurance company."

We've all heard the stories that if you go into an auto body shop and you want to get your windshield repaired, and they say, "Who's covering you?" and you say, "No, it's my own car. Just fix the windshield," they'll charge you \$300 or \$400. We've had cases given to us where you walk into a body shop or whatever it is, and you say that it's the insurance company that's paying for it. That \$300 replacement windshield is all of a sudden \$1,000.

That two-tier payment system has got to stop because we all pay for it. All Ontarians pay for two-tier payment of insurance. It's something that makes insurance policy premiums go up.

We have cases of tow truck drivers charging \$1,000 to take a vehicle that's been in an accident to their compound—\$1,000. Sure, maybe \$200, but \$1,000? We have to do something about people who use insurance as an economic opportunity entitlement. In other words, they're trying to get a piece of the pie that's only so small. The tow truck driver or everyone else has the right to make a living but not the right to charge exorbitant fees for a service. I think it's government's role to try and put some checks in there so the system gets back into some semblance of normalcy, because it's not sustainable to where it's going today. It's not sustainable for the people who need that car to get to work, to take their grandmother to a hospital. We need to have an affordable, transparent system, and competition.

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One of the things that we've all learned too, and I certainly have, is that when we talk about insurance, we also always think about the big insurance companies. I

know my friend from Niagara Centre mentioned some perceived loophole in this legislation. The fact is, the Financial Services Commissioner has the right to look at companies that may be in serious financial difficulties and ensure that that company isn't put out of business or becomes insolvent.

Many of us don't realize, but I guess some of us from rural communities—my friend from Glengarry-Prescott-Russell knows that some of the insurance companies in this province are what we call mutual insurance companies. They're your small insurance companies that date back to 1850 in the province of Ontario. They're basically a not-for-profit, small insurance company that provides a basic service to people in agricultural, rural areas and small-town Ontario. These companies—and I spoke to them again, just recently too—they said, "I'm glad you've put that protection whereby if some order of the Financial Service Commission were to be unfair to us, it could put us in jeopardy."

These are small companies like the Algoma Mutual Insurance Co in Thessalon—member Mike Brown; the Amherst Island Mutual Fire Insurance—I don't know if that's near you, Mr Speaker, or not—Ayr Farmers' Mutual Insurance; Bay of Quinte Mutual Insurance; Bertie and Clinton. These are mom-and-pop insurance companies, basically. I know they don't fit the image of the big Bay Street insurance companies, but they're out here in Ontario too.

One of the goals of our party is to keep the small players in the market, because competition means that you, in the long run, will get lower premiums. Competition means you'll get a better type of service from different people. They're essentially to the benefit of the consumer. One of the intentions of this legislation is to ensure that small companies like Glengarry Farmers' Mutual Insurance—I don't know if that's near up where you are. We have a lot of work to do. We're in no way underestimating the challenge and in no way underestimating the work done before.

I know the member from Rosedale did amazing work trying to patch together a very complex system, and he's come up with some excellent recommendations. I've conferred with Mr Smitherman. I would welcome the input from any member of the House in how to make this system right again. The system needs a lot of co-operative help that we can all pitch in to do.

We are committed to doing it, but it can't be done in just this one piece of legislation. Bill 5 is the first small step towards a long road ahead. The road ahead will be a difficult one, but it's one that has to be taken because there are over eight million Ontarians who are worried sick about the cost of auto insurance, and rightfully so.

We are committed to get this very important service rectified in the province of Ontario. We are going to do it with the help of all the stakeholders and with the people of Ontario, who deserve an affordable system that is transparent, competitive and also to their interest.

We all know that there are all kinds of concerns about, "When will I see my insurance premium reduced?" As I

think the Minister of Finance mentioned today, there already are increases in the pipe that were basically the result of the last government, who approved rate increases. Insurance premiums come due at different times, so there are still people who are getting increases. That is a result of previous increases approved by the previous government.

As I said, as of October 23 we've stopped all increases from being approved. In fact, we're quite clear in this legislation that we're going to require the insurance companies to file their rates, which eventually result in premium pricing, by January 23. We've essentially said that we expect those filings to show a 10% reduction. That is our goal, and we are doing it because the people of Ontario have demanded that we do it. This bill is a response to the people of Ontario, who have said to our government in the last election—in fact, they said it to us when we were in opposition; we had numerous calls from people over the last two or three years who said, "Why isn't the government doing anything about auto insurance?"

If I can criticize the last government for anything, I think it is the fact that they sat on the insurance file too long. We know that the Bill 198 regulations were not acted upon for over a year. The bill was passed but the regulations weren't. So we as opposition at that time said, "You've got to get on with fixing insurance." They didn't really take the steps that were necessary. It was evident that there was something very wrong with auto insurance premium costs and the people of Ontario were crying for help, but nothing was really done to alleviate that.

We now feel that the only way we can rectify things is by bringing about a pause—Bill 5 is about a pause—in the insurance rate roulette. It's a freeze until we get some reductions in place. Then we are committed to introducing some further adjustment reforms because the system is not just about one quick fix or a magic solution. This is the bill that then enables us to move in an orderly fashion toward more savings, more adjustments, more fairness, more transparency and more understanding in auto insurance.

I would just say that one of the interesting cost drivers in insurance, still to this very day, is what they call soft-tissue injuries. Remember the old stories about people walking into courtrooms with their neck braces? Those are still very problematic. A lot of the cost drivers in insurance seem to be from minor automobile injuries. That's why the Insurance Bureau of Canada and others are saying, "Please, drive carefully. Please make sure your headrest is adjusted properly." Frankly, some automobiles have very poor designs in their headrests; some are better than others. "Please obey the rules of the road: Speed limits have got to be obeyed, aggressive driving"—all these are part of the cost drivers in auto insurance. It's not as if we're blaming anyone or any group; it's really a co-operative effort where all the stakeholders, all Ontarians, have to start to really examine auto insurance and improve something that needs a lot of work to make it right. I hope we can make it right, and the sooner the better for everyone in Ontario.

Mr Bob Delaney (Mississauga West): I'm pleased to speak to the government's Automobile Insurance Rate Stabilization Act, Bill 5.

I represent the riding of Mississauga West. Ours is a prosperous community, a young and growing community, with young families building their careers, their families, and spending their hard-earned money on life's essentials. Despite its newness and its outward signs of prosperity, most of us in suburbia need to budget our incomes very carefully. We can budget to cope with breakdowns, appliance failures, the need for home repairs and renovations. Suburbanites can save for a rainy day. What suburbanites have not considered saving for has been the way that families find themselves drowning in uncontrollable insurance premium rate increases.

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Insurance is like water, gas or telephone service. Insurance is something we need to drive, work and play in suburbia. Without the density of housing we see in the city core that makes mass transit viable, you need a car to get around and to get to work. You need a car to get to church, to get to your community volunteer activity and to get your kids to their sports and cultural activities. You can try and get along without a car in Ontario's suburbs, but it won't be easy, it won't be productive, it won't be much fun and it will be lonely. Not for nothing has the standard in housing in the suburbs moved to two-car garages.

In the car-intensive suburbs, we also need affordable auto insurance. The capital cost to a family of its car or cars is only part of the investment. Over and above licensing, maintenance, fuel and repairs is the cost component of insurance. You have to have insurance; that's fine, that's fair. But it is only fine and fair if the marketplace is also fair and competitive. A product whose consumption is mandatory also needs to be available and affordable.

Why do we need action now? Ontarians can best say it in their own words, and I'd like to use the impassioned words of a number of motorists in Mississauga West. One young woman called us and said that her insurance rates have gone up so much she does not know if she can afford rent or food after paying her monthly car insurance premiums. She had a minor fender-bender, which, after all, is why one buys insurance in the first place. This young woman moved to Ontario from the province of Newfoundland in August 1997. She received her G licence in 2003. She had driven for four years with a clean record. At 19 years old, she paid a \$4,200 annual premium. At age 20, she paid a \$3,600 annual premium. By 22, her premium was down to a still-steep \$2,400, but it was a break so that she could save for her future.

In April 2003, she was in a minor accident due to weather conditions. It happens. She was uninjured. The insurance company told her that her premium would rise by \$4,800—not rise to, but rise by. This is triple what she was paying before her accident. The car itself cost only \$4,500 to fix—\$4,500 to fix, and a premium increase of \$4,800 in the very next year. She agreed to the conditions

of the new insurance plan because she needed to drive. On November 21, this same motorist received a call from her insurance company with a new quote for the next year. They quoted her a rate of \$9,084 for her premium for the next year.

Another young man from Mississauga West is just out of school, beginning his career. He can afford to buy himself a car, but has not bought one because the insurance on the car is higher than the finance charge. Men are already at higher insurance rates than women are. This young man can afford a vehicle, but not the insurance he needs to actually drive it.

Many senior citizens live on fixed incomes. In some cases, they find that they need to give up their freedom of mobility in their cars well before their driving ability diminishes. Our seniors are not giving up their privilege to drive by choice, but because they cannot afford their skyrocketing insurance policy premiums, despite their years or despite their decades of safe driving history.

Another Mississauga West motorist faces out-of-sight policy premiums, not because of any accident he and his mother, who lives with him, have had, but because his father has had two accidents in the past year, after the father and the man's mother had separated and divorced. This bad driver no longer lives with the family, and yet this young man and his mother pay premiums as if the father's bad driving record were theirs. The mother has had a perfect driving record for 10 years. The young man has had a perfect driving record for six years. He wrote to us, "We have been quoted for over \$7,000 in our premiums for the next year, not only by our existing carrier, but also by a number of other insurance companies."

Motorists are not the only group that knows first hand how much needs fixing in the auto insurance industry. Brokers who carry the insurance products of multiple carriers have reported to me that they were told to write business only for clients with many years of safe driving, and for no young drivers. The motorists of Ontario feel they are paying for the accidents and the compensation losses of other classes of clients in other jurisdictions. Some of the spiralling claims are driven by individuals who can push their high fees and rates on to insurance claims right up to the point where litigation costs against them become more viable than simply paying the fixed rates and fees that they have, fixed rates and fees that even the insurance carrier knows to be too high. One writer from Mississauga West reported that a body shop quoted him one rate if he paid for collision damage to his vehicle himself and a different rate, triple the amount, if the cost went to the constituent's insurance company for payment in the form of a claim.

The government of Ontario has heard the voices of Ontarians. It is delivering on another major commitment by taking steps to lower auto insurance rates and to protect Ontario consumers. We've rolled up our sleeves and are keeping our promise to Ontario's working families. We are determined to act responsibly to protect auto insurance consumers by reducing out-of-control costs and making sure these cost savings are passed on to

consumers as lower premiums. Bill 5, if passed, would freeze insurers' rates at levels approved on or before October 23, 2003. It will prevent further approvals from taking place for a period of 90 days.

This legislation is an important first step in our commitment to deliver what Ontario consumers want: lower auto insurance rates and the re-establishment of a viable and competitive auto insurance industry. These measures are a bold step toward maintaining availability and choice for consumers in obtaining auto insurance, which is a product that motorists must have and which had been spiralling out of reach for all but the very wealthy.

The new government of Ontario has acted quickly. On October 23, 2003, Premier McGuinty directed the Minister of Finance to freeze auto insurance rates immediately. On Wednesday, November 26, 2003, the finance minister introduced the Automobile Insurance Rate Stabilization Act, 2003, which freezes insurers' private passenger auto rates at levels approved on or before October 23, 2003. The bill also ensures that no further approvals can take place for at least 90 days.

Today's crisis in auto insurance might have been averted. As far back as 2001, the Insurance Bureau of Canada warned the former government of Ontario that costs in the system were rising in ways the insurance industry could not control. While two Ministers of Finance ignored the insurance industry's warning, auto insurance rates climbed 9.2% in the fourth quarter of 2002, just one year ago. Then in the first quarter of 2003, while the previous government did nothing, auto insurance rates jacked up another 7.3%. In the second quarter of 2003, while the previous government stared into the abyss of defeat at the polls and backed away from their day of reckoning with the people of Ontario, auto insurance rates leaped ahead another 8.5%. The former government had lost its spirit, its nerve and, ultimately, its legitimacy and its power during the third quarter of 2003. Without fanfare or much notice, auto insurance premiums shot up yet another 8.2% in that quarter.

It was time for that to stop, and stop it did. Within 15 minutes of being sworn in on October 23, this new government of Ontario showed Ontario's working families that we had started to work for Ontario's motorists. We ordered the superintendent of insurance to stop approving rate increases for a period of 90 days.

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I empathize with drivers whose rates have continued to climb into the stratosphere. My own policy, as an accident-free driver, came due on October 30. I too swallowed hard and called my broker. I said, "There's got to be some mistake. I've done business with them for years." We checked the rates. I know him and I trust him. He told me, "This is the best rate that I can give you," and mine went up 40% in the course of a year. I echo the commitment of the Minister of Finance that we keep our focus on this very serious issue and work toward a fair, affordable and equitable market for consumers and a competitive and viable market for insurance carriers.

There are some in Ontario who would advocate public auto insurance. Public auto insurance ultimately means forcing private sector firms out of business. One can wax eloquent about public auto firms in place in other parts of Canada. The staunch advocates of public auto insurance, which effectively means the nationalization of some parts of the insurance industry, would be well advised to talk with policyholders in one of the provinces now offering public auto insurance. The wry jokes often used to describe insensitive and monopolistic bureaucracies everywhere are top of mind when consumers relate their tales of dealing with their publicly owned auto insurance carrier.

More than a decade ago, the then government of Ontario talked about public auto insurance. That government looked at it. That government backed away from it. Let's go easy on the government of Ontario in that era of the early 1990s. It did have the wisdom to identify a bad idea and not do the wrong thing then.

That was before the signing of the NAFTA agreement. The compromises within NAFTA, whether one would assent to them today, now form part of our business fabric. The reality of living with NAFTA is that the conditions present at the time other provinces established public auto insurance do not exist now in Ontario. Violating NAFTA provisions that benefit so many Canadian companies, both those that manufacture physical goods and those that provide professional services, would hardly seem an option to Ontario businesses. Even in a hypothetical world without a NAFTA agreement, the creation of an entirely new Ontario government bureaucracy will not only cost more than a billion dollars—and that's before the first policy is underwritten, and I believe that is a low estimate—but it will also cost some 5,000 jobs. Those are private sector taxpaying jobs, jobs that are well paid, jobs that allow their holders to support their families.

Public auto insurance, even in a hypothetical world, would mean a brand new government-run insurance bureaucracy larger than the Ontario Ministry of Health. For comparison's sake, I asked the Minister of Health today just how big is the Ontario Ministry of Health. The Ontario Ministry of Health employs 7,000 people full-time and spends \$28 billion annually. Do we want such a bureaucracy? Do we want such a new bureaucracy? Do we want such a government-run bureaucracy?

Ontario is home to many leading companies in all industries, especially in the financial industry and especially in the insurance industry. Ontario's insurance industry is a source of good, high-paying jobs, especially for graduates of Ontario's universities. It would be a mistake if the government of Ontario acted in haste to nationalize auto insurance. The government of Ontario should balance the urgent needs of our millions of Ontario policyholders with its demonstrated commitment to be a fair and consultative partner with business and consumers alike.

To sum up on public auto insurance, the government of Ontario looked carefully at the issue more than a

decade ago. If it had been a good idea then, they would have done it. It was a bad idea then and it's a bad idea now.

As the member for Eglinton-Lawrence has said so eloquently, few aspects of everyday life are as complex, as technical or as difficult to unravel and understand as insurance. The 90-day hiatus on rate increases is a welcome chance for the government of Ontario and for the working families of this province to pause, collect their breath and assess not merely the painful symptom of soaring rates but the underlying causes of an industry whose costs must be brought under control. Unscrupulous operators to whom windfall revenues go at the expense of our working families need to know they cannot and will not be permitted to look on insurance companies as a bottomless piggy bank.

The first step is to stop the bleeding. The next steps are to heal the wound. To this end, the Minister of Finance will work with the insurance industry and with the families of Ontario to make the system work and to make it affordable, accessible, fair and sustainable.

Let us look at some of those measures. Auto insurance rates are frozen for private passenger vehicles at the rates approved on or before October 23, 2003. Approval of applications under the Insurance Act for private passenger vehicle rate changes is suspended while the bill is in force. Every insurer affected by the freeze must reapply to the superintendent of financial services by January 23, 2004, or a day specified by the superintendent not more than 30 days after January 23 for approval of its risk classification system and rates. The superintendent could require a premium to be reduced or otherwise varied. No rates or risk classification changes will be implemented without the superintendent's prior approval.

Our priority is consumer protection. With this bill, insurers failing to comply with the bill could be prosecuted, could have their licences suspended or cancelled under the Insurance Act and could be ordered to refund premiums charged in excess of authorized rates.

This legislation gives the government of Ontario the authority to move forward and act on our commitments to Ontario families to reduce auto insurance rates and to make sure those rates are passed on to consumers.

Here are the next short-term steps. The parliamentary assistant to the Minister of Finance has been meeting extensively with the key stakeholder groups during the past few weeks to find the best way to achieve savings that will bring auto insurance rates down by an average of 10%. These consultations will soon produce a number of key recommendations on how those savings will be achieved.

We are also looking at other ways to help reduce costs for motorists. For example, our longer-term cost saving reforms include the creation of customized insurance plans that will allow consumers to save more by allowing them to tailor their insurance coverage to best meet their individual needs. The flexibility that insurance carriers offer to consumers with group benefits might be a viable option for automobile insurance.

In the long run, our cost saving reforms will result in lower rates, and that's great news for all those who depend on their cars to get around and to get to work. We will continue to work toward a long-term solution to lower rates, cut insurance costs and improve protection. That's what we promised. That is how Bill 5 will help this government deliver on that promise.

The Acting Speaker (Mr Bruce Crozier): The Chair recognizes the member for Prince Edward-Hastings.

Mr Ernie Parsons (Prince Edward-Hastings): Thank you, Speaker. You need something for that throat, I think, but you're doing a great job this evening.

Boy, if there's ever an issue that every member in this Legislature gets phone calls on, it's car insurance right now. I had the pleasure of doing a two-hour phone-in radio show this morning in Belleville, and the vast majority of the calls were from really decent people who can't afford car insurance.

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Car insurance goes along with the very way of life we lead. I represent a primarily rural area. There is no mass transit. There is no other mechanism for people to get to work or to do anything else other than with their automobile. The prices have reached the point that I fear there are some people in Ontario driving without insurance or driving without car licences because they simply can't afford to pay. When we're seeing rates quoted that are higher than the value of the automobile itself, it simply doesn't make sense.

I was thrilled with the commitment made by Dalton McGuinty and the Liberals starting the campaign, and I'm thrilled to see coming forward for second reading Bill 5, the Automobile Insurance Rate Stabilization Act. The first thing it does is freeze the rates. That has been somewhat confusing to some of my constituents. I'm sure after the announcement was made, everyone in Ontario called and said, "I got my insurance bill and you announced a week ago that rates were frozen." But the way the system works is that insurance companies will apply 30, 60 or 90 days ahead for a rate increase, so they had that rate increase before the election, before the announcement by the Premier and before this bill was introduced. So the insurance company has in fact had approval to do the increase because it was prior to it. However, this bill very clearly states that it is frozen for the 90 days and approval of application in the Insurance Act for private passenger vehicle rate changes will be suspended until the bill is in force.

So we got rates frozen. The argument can be made by some people that, "Yes, but they're frozen at the highest rates," and very clearly that's the situation. Over and over we're seeing people experiencing double, triple. I dread now when somebody phones and says, "I want to talk about my car insurance," because I know these are decent people being faced with an insurmountable bill. They have to be reduced.

I applaud Mr Colle, the parliamentary assistant, who is going to be meeting with groups. Now, you can't simply legislate lower rates. There have to be ways found to

lower costs so that the rates can reflect that. That's going to happen. It's not going to happen in isolation. This is a government, again, that Premier McGuinty has committed will consult on major issues, because we recognize that not all knowledge rests within this Legislature. So Mr Colle will be meeting with groups to get their advice and suggestions. In fact, I believe it was Mr Smitherman who toured Ontario prior to the election consulting with groups and got some extremely useful information from them that will help to genuinely reduce costs.

Something had to happen, folks. People driving without insurance absolutely terrifies me. If they have an accident, they could lose everything; for the other people on the road, it's the risk that they're at, and don't know they're at, of facing a driver coming at them or causing an accident without insurance.

I'm also receiving significant numbers of calls from small businesses that are being cancelled. There is a group that is making a case in this province for public auto insurance. I'm not referring to the NDP, because I would quote the Toronto Star back on September 7, 1991, when Bob Rae is quoted as saying, "We have decided we will not be proceeding with public auto insurance for two very simple reasons: It will cost too much money and it will cost too many jobs."

He very clearly was very astute on that. We know that public auto insurance has its own pitfalls. There has been an estimate that there could be as many as 15,000 people required to administer it. Car insurance has become a problem in the last year, and we need to take the long-term view of it, which is that we believe private auto insurance will continue to work but there are going to have to be some legislated changes.

In many ways, I think the group that's giving the public reason to want public auto insurance is the insurance industry. I would dearly love to sit down with them and give them a little primer on how to keep the public on board with them. This is probably as good a time as any to do that. I'm thinking of some of the examples of people who have contacted my office about rate increases. They're not funny. Well, one is a little bit funny. In August, a constituent of mine who lives in a rural area quite some distance back from the road parked his snow blower. Now that snow is here, I'm just not prepared to confront that reality; I'm not a fan of snow. But the snow blower's sitting out in the driveway outside his garage while he cleans out the garage. A motorist who had very clearly been drinking comes along the county road, veers off the road, ploughs through a fence and strikes this parked snow blower. This gentleman was foolish enough to think if he had insurance, he could put a claim in for his snow blower. He did, and the insurance company substantially increased his rate.

The only thing he was guilty of—but I wouldn't even say it was reckless parking; he parked his snow blower outside in his driveway in August, and the car struck it. This gentleman, who has never had any other claim in his life—and is my age, which I would say means relatively young—now suddenly is confronted with his insurance

doubling because of this other impaired individual striking this parked machine.

This constituent's response to it was, "We need to get rid of these insurance companies and we need public car insurance." It's very bad practice to base a new law in one particular incident, but I'm saying to any of you who are in the insurance industry watching tonight that you need to be a little bit reasonable with your claims.

I represent a rural area, and these are small companies. We're seeing these small companies having their policies cancelled because the company that is insuring them doesn't want to face the risk that is associated with the commodity that they're hauling. I had a company call and the commodity they haul is water. They drive around tank trucks full of water, a relatively harmless substance, but the companies have decided they don't want to insure water any more. Once they cancel it because they no longer want that type of business—when he went to get alternate insurance, one of the first questions on the form is, "Have you ever been cancelled?" And his answer was yes; not that he had a claim, not that he had a problem, but that the company he was with was basically leaving the field. However, he had to tick the box that said yes, he'd been cancelled. So he has quotes. Other companies were prepared to insure someone carrying water, but at three times the rate he'd been previously paying.

I say to the insurance companies, you can buy a lot of public support by being a little bit more reasonable. I'll tell you what the ultimate for me was: I had a firm that prepared their premium for the next year; they actually paid it a couple of months before it was due. The insurance company neglected to credit them with that payment. So when the day arrived and they couldn't have the credit for the payment, they cancelled this constituent's insurance. They cancelled the insurance because they hadn't received the money. Then, when it was pointed out that in fact he had paid two months earlier, they said, "Yes, we'll insure you back but since you had been cancelled, your premium goes up."

Interjection: It must have been a mistake.

Mr Parsons: Yes, terrible. So these are probably exceptions, but I know each and every one of you in this Legislature has had calls from people concerned about the insurance industry. Rather than simply giving orders and directions as in the past, or saying, "Here, we'll try it. What do you think?" it's time we actually sit down with them and negotiate with them the best approach to it. Because insurance is an amazingly unique product: You have to buy it. You don't have to buy a lot of other things, but you have to buy insurance. You have to buy electricity, but the companies that sell insurance are able to decide whether they want to sell to you or not. I can go to the department store and say, "I want to buy a colour television," and they can't say, "No, I don't want to sell you a colour television." But insurance companies have the awesome power and responsibility that they can say, "No, we don't want to sell you insurance." I can go into the department store where there's a nice colour TV for \$400 and I can say I want it. They can't say to me, "No, for you it's \$600." That's the price.

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So we need some semblance of responsibility from the whole industry, and my best guess is the automobile insurance industry desperately wants to win this current situation. I understand they're losing money—I really do—and I know there are a number of reasons. I can't absolutely substantiate it, but I have been told by a usually reliable source that over 90 cents of every Ontario car insurance dollar ends up out of the country, either with foreign-owned companies or with re-insurance. I can understand that the stock market has not performed as well for them as it has in years past and they have to make money to stay in business. But I don't understand the need to simply arbitrarily say, "We're not going to take on new customers, we're not going to take on new clients."

I particularly grieve for our young people, for a person turning 16 and getting a licence. Again, I'm thinking of the number of young people for whom transportation is a necessity. The students from the area where I live all ride a bus to high school in Belleville. At one time, school boards were able to provide late buses for these students so they could take part in extracurricular activities. They could be on the sports teams, they could be in clubs, they could stay for extra help. The previous government basically cancelled—not basically; the previous government cancelled the funding for late buses. So urban students are able to take part in after-school activities and walk to them, but rural students need a ride. For a lot of people, there isn't someone in the family available to drive them and the student needs a car or needs to drive the adult's car and the premiums have become extremely high for them. I know there are statistics that show they have a greater rate of accidents than older people, but still the rates have become absolutely unliveable for our young people.

Given the need for it, there has to be a mechanism to ensure that people have access to reasonably fairly priced car insurance, so that no one will be disadvantaged. I think this bill goes an awful long way toward achieving that. Certainly this isn't the end of the insurance issue, but I think this bill goes an awful long way toward achieving that.

The bill is about consumer protection, as it was with electricity, as it has been with our health care bills that guarantee quality of health care and that there will be no two-tier system. Our bill is again driven by the consumers, by the people of Ontario.

There will be a penalty for insurers who fail to comply with this bill. It's not just hollow words. We are clearly saying, "This is the direction we're going, and you have to do it." I honestly believe the vast majority of insurance companies will follow that, but if they don't—and it's great to have a carrot, but you sometimes need that little stick there too—their licence will be suspended or cancelled under the Insurance Act and they can be ordered to refund the premiums. So it would be pretty short profit if they refund the premiums that are in excess of the authorized rates.

This legislation is the mechanism that allows us to move forward on the election commitment to reduce auto insurance rates and—this is very important—make sure the savings are passed on to consumers. It is not the intention of this bill to increase the profitability of car insurance companies. We know they have to make money to stay in business, but I do believe we have a vast pool of customers here that companies will want to serve. We want them to be healthy financially. That's why we're not going to simply order them to cut by 10%. We want them to be healthy financially, we want them to continue to do business in Ontario and we want them to be able to pay their claims.

There is a better day coming on the stock market. There is a better day coming financially, and the better day started early in October, I believe. But there is a better day coming that will restore investor confidence and will have the stocks going back up in value, which will help the insurance companies. So again, this is a kind of compromise in that we want them to make money but we want the people to be able to afford it.

We're also looking at what I think is a really interesting concept: allowing consumers to customize their auto insurance. Some don't need a replacement vehicle; some don't need replacement income. If you're a senior who is not in the workforce at the present time, there's no need to have income replacement factored into it, which they're paying for. This bill will allow people to develop a customized one that truly meets their needs. Given the use of computers and given the use of pricing, there's nothing in the world to prevent us putting together a package that, on an individual basis, will result in savings because they will no longer have to pay for what they're not going to use.

There are still some long-term things to happen. I think that's kind of exciting, but I'm as excited about the fact that there will be consultation to make it happen, rather than its being arbitrary. I'm still adjusting to this new government, as opposed to the previous one, where bills didn't go to committee and didn't go to consultation. We passed bills at third reading that had no debate allowed on them. There would be time allocation that wouldn't allow third reading. You remember that.

Ms Caroline Di Cocco (Sarnia-Lambton): Yes, I do.

Mr Parsons: Yes. Well, that's going to change, and that has changed. It is just so thrilling to be part of a government that says, "We want to consult with the people and listen to them." It truly is a new era, not just for insurance, but for everything in Ontario.

We watched over the last year as rates went up. First quarter: 9.2%; 7.3% the next one; 8.5%; third quarter of 2003 it's gone up another 8.2%. When we add them together, those are numbers that were absolutely unsurvivable for the average citizen, so I applaud this government for its bill that will truly reduce insurance premiums and truly change the industry.

Mr Garfield Dunlop (Simcoe North): It's a pleasure to rise this evening to listen to the comments by the members of the government on their leadoff speech.

From their introduction of this bill by the Minister of Finance, they seem to be trying to conclude that they're doing something very special.

As you know, the regulations that were changed by Ernie Eves on July 2 and again on July 10 are actually the regulations that were in effect so that insurers could file their rates by September 30. As a member of the opposition, I don't really see where the savings are going to be from the legislation that you have introduced and we're debating here tonight.

I understand that the savings we had already identified by the rates that were set forth on September 30 are the rates that we needed to carry forward with. What you're doing is freezing them. Some of those rates are actually coming in as lower than what they were previous to that. You're guaranteeing in your election promise a 20% reduction in the rates. I'm assuming that's a 20% reduction from the rates they would have had in the previous year. I'm not hearing that happening from anyone at this point. After we debate this bill and after we get the new rates that are introduced over the next year, I'm really going to take a close look at how they actually affect the insurance industry.

The other thing I'd like to say is that I think as a society, as insurance companies and as legislators, we also have to take a look at other things; for example, house insurance rates and that type of thing. There's no question there is a problem there and some liabilities as well.

I look forward to further comment on this bill.

Mr Michael Prue (Beaches-East York): For the last hour, I listened to three speakers, who seemed to have a lot to say about the insurance companies, but never really got around to the issue of what's happening to people or why the insurance companies are suddenly finding it necessary to raise the rates so high. Just one of them briefly and casually talked about bad investments.

The reality is that the reason the rates are skyrocketing in Ontario is the same reason they're skyrocketing in Alberta, New Brunswick and most of North America.

Mr Peter Kormos (Niagara Centre): Except for public.

Mr Prue: Except for public; I'm going to get to that in a minute.

All of the privatized industries have raised their rates because they have made bad investments, and the stock market has not been favourable to them for the last four or five years.

Mr Kormos: Bingo.

Mr Prue: Aye, there's the rub. That is the reason why the rates are going up.

Then we hear horror story after horror story. I was thankful to hear those. I was thankful to know that a poor woman in Mississauga now pays \$9,000 a year to insure her car so she can go to work. An insurance company is charging her that on the basis of one small accident because they have been singularly unable to recoup the loss of bad investment in the stock market for the last number of years. That's what this issue is about; that's

what it's all about. You can sit there on the other side and you can freeze the rates. You can say, "You're going to pay \$9,000, poor woman in Mississauga, but we guarantee you that it's not going to go up another 10% next year." Big deal. That is not what it is. You have failed to do what you need to do, and that is to look for alternatives. Three provinces in this country have alternatives where the rates are going up only 4%, 5% or 6% and not what is happening here in Ontario.

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Mr Dave Levac (Brant): Thank you for the opportunity, Speaker. I do have something a little bit different I want to talk about, but first I want to compliment my three colleagues for bringing the Bill 5 message out and talking about exactly the problem we're going to be faced with: to ensure that everyone understands that the increases that are already going through are a result of the previous government not proceeding with that freeze fast enough.

Here's the point I wanted to bring up to members: There are three businesses in my riding; they're called the pilot car group. On the highway, pilot cars are the people you see driving in front of those big loads going from factory to factory. They've almost stopped working in Ontario. Why? Before 9/11, their insurance was approximately \$3,000 a year for the full business to be insuring the two, three or four cars in their companies. Guess what it is now? For a little mom-and-pop organization, it's \$15,000, if they can find it. They went from \$3,000 to \$15,000 in one day. Subsequent to that, we found out—this is a rather interesting point. They searched North America in terms of how much coverage they required with their safety record. They are the safest drivers on the highway, bar none. They cannot ride in the rain, they don't ride in the snow, they don't ride at night. They are the safest on the highway, and they can't even find insurance. They did a search of 250 different insurance policies across North America, and three wouldn't even give them a quote because of this insurance scam that's going on. And I'll call it that: It's a scam. You've got the safest drivers on the highway. I've got three businesses in my riding that are going out of business because they can't afford the \$15,000. So am I proud that this government is doing something about it? You better believe it.

Mr Kormos: I couldn't be more pleased to see this debate beginning. I'm looking forward to seeing Mr Flaherty, with his background and considerable skill as a lawyer in this area of insurance and insurance law, address the issue. I found it remarkable that the Liberals—now mind you, needing three people to do a leadoff. That's remarkable. It's better, because I think the other night you needed seven guys to do a leadoff. Please. Gosh, seven people to do a leadoff. Holy moly, what do you do when things get tough?

I'm looking forward to the debate because I found it remarkable that the Liberals in this lineup of leadoff debaters would spend such a considerable amount of time challenging public auto insurance. I found it remarkable.

I suppose it's not surprising. Liberals in Alberta now endorse public auto insurance. Liberals in provinces in eastern Canada now endorse public auto insurance. I tell you, I've been watching public auto insurance, watching the three western provinces of Manitoba, Saskatchewan and British Columbia. I see Gordon Campbell, a right-wing Liberal Premier who is rivalled only by Dalton McGuinty here in Ontario. We know who the model is for McGuinty, it's that Sacred Liberal, Mr Campbell, Premier of British Columbia. Mr McGuinty's British Columbia cousin, Mr Campbell, is a fan of public auto insurance. He tinkered with the prospect of dismantling it, but wouldn't dare. That's just like Sacred Premiers, guys like Vander Zalm who privatized anything that moved and if it didn't move, he kicked it till it did, and then he privatized it. He didn't touch public auto insurance in BC because public auto insurance works. When are you guys going to get it? You guys crawled into bed—it's a king-sized bed obviously. This is a ménage à trois: you've got the Liberals on one side, the Tories on the other, and the insurance companies with their arms around both of you. That's illegal in some jurisdictions.

The Acting Speaker: The member from Prince Edward-Hastings has two minutes for a conclusion.

Mr Parsons: I appreciate the comments from the members for Simcoe North, Beaches-East York, Brant and Niagara Centre. I am a little bit intrigued about the concern of seeing democracy in action, where we see a number of Liberal members participating. But you do have to admit, it's easier for you to get all of your members up in a day than it is for us. It's just straight math.

Interjection: We share.

Mr Parsons: We share, and there are more of us to share. There are a lot more of us to share the time over here. So I apologize if hearing a diversity of opinion is a problem.

I have heard an expression that I quite like, which says, "For every difficult situation there's always a simple but wrong answer." This is not a simple solution, but what this bill does is put in place a process to develop that solution. A process does the immediate thing, which is to freeze the rates. Sure, that doesn't solve all the problems. We know that. It's not a lifetime freeze. It's not a one-year freeze. It's a 90-day freeze to prevent increases while we consult with experts and the general public, and we talk to people and get the ideas for solutions.

This government is a party that is inclusive, that wants to hear the opinions of other than just one or two people within our caucus, and so it's opened up to that. I watched with interest before the election, when the Conservative Party would make an announcement that, "We're going to do this and that will save," and then the insurance companies the next day would say, "No, that won't lower premiums." I thought, these two groups aren't talking to each other; they're talking at each other. We want to talk with others and get the determination for it.

Public auto insurance: Sure, you can keep the rates down if you're prepared to subsidize it out of taxes. We

have industry here. Even Howard Hampton during the 2003 election said it would cost 5,000 jobs to go to public auto. He called that a relatively small number of jobs. I call 5,000 a lot of jobs.

The Acting Speaker: Further debate?

Mr Jim Flaherty (Whitby-Ajax): I'm pleased to rise to participate in the debate on Bill 5 and, more generally, on the insurance issues in Ontario and the automobile insurance issues in particular. I listened with interest to the comments made in the last few minutes by the member for Prince Edward-Hastings. He referred to savings in Bill 5. This is Bill 5. I think we're debating the same Bill 5. If the member is talking about savings for persons who drive automobiles in Ontario and who own automobiles and pay insurance premiums, there are no savings for any people in Ontario in Bill 5. There are no savings at all in Bill 5. In fact, worse than that, there's the prohibition in Bill 5 for motorists in Ontario having the benefit of any of the rate reductions that would flow from the filings that were done by insurance companies with the superintendent of insurance in Ontario on September 30. But more about that in a moment.

The message of Bill 5, as referred to by the member for Brant, was something about increases going through. I think he means increases in premiums going through and he seeks to blame that on the previous government. Again, that's not just wrong, but totally wrong. In fact, the insurers were obliged to re-file the rate applications effective September 30. Those applications are pending before the superintendent of insurance. I'm advised that the superintendent of insurance has not dealt with any of them, but certainly there are rate reductions available in those applications.

So as I say, not only are there no reductions for drivers in Ontario in their insurance premiums in Bill 5, there is a great deal of delay by the government, which they seek to accomplish by Bill 5. But there's certainly no Christmas present for the people who are obliged to pay these insurance premiums, our neighbours in the province of Ontario.

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First of all, Bill 5 has no rate reductions. Secondly, it delays available premium reductions to people in Ontario. Another thing: It has zero in it, absolutely nothing, for commercial users. There was some reference in the House tonight to small business, to large business, to commercial carriers. This bill specifically prohibits any reduction, anything, for all the small business in Ontario. This bill that stands in the name of the Minister of Finance once again is ignoring small business in Ontario. They have already increased taxes for small business in the province; now they're going to make sure they continue to pay high insurance premiums, particularly in automobile insurance. It amounts to nothing more than window dressing.

Let me explain why over the next while, when I have an opportunity to go through this Bill 5—it starts, actually, with the title, An Act to temporarily freeze automobile insurance rates for private passenger vehicles.

The promise, as many in this House will recall who are familiar with the 231 election promises which are very conveniently listed by Lorrie Goldstein, the editor of the *Toronto Sun*—if any of the Liberal members in the House or anyone else needs a copy of this, I'll be happy to make a copy for you. It's yet another incidence of the Liberal government, before they were the government, being prepared to say anything to become government. They promised the people of Ontario that we would see a reduction in automobile insurance rates. What do we see? We see Bill 5. Reduction? No. An Act to temporarily freeze automobile insurance rates. No reduction here; yet another broken promise set out in the title.

This is old-fashioned politics. This is the politics that starts where you run for public office and tell people, "A chicken in every pot," tell them what you think they want to hear, be cynical about it—

Interjections.

The Acting Speaker: Order. Let's listen a little bit and then we'll see how it goes.

Mr Flaherty: I can understand the government House leader being concerned about the inadequacy of this bill and the broken promise. I can understand his upset about that. He should be upset about the cynicism in politics that this type of bill represents, the cynicism that is represented by people seeking public office and making long lists of promises, the 231 election promises—

Interjection.

Mr Flaherty: —the member for Brant doesn't even understand the bill and now he's making a lot of noise over there—and then getting elected and immediately starting to break the promises. This is the worst example, especially to young people who try to see why they should care about political life, of why they should care about public life in Ontario.

All across the province—many members tonight will know this; even the member for Brant probably knows this, and maybe the government House leader—municipal councils are having their inaugural meetings. What was the voter turnout across Ontario in municipal elections? What was it in our provincial election? Less than 60% across the province. Why has that happened? In municipal elections it's often between 20% and 30%. The member for Pickering-Ajax-Uxbridge, the former mayor of the city of Pickering, knows well the cynicism that we see created by politicians who, like the member for Brant, run on a platform of 231 election promises, get elected and immediately start breaking the promises. That's the member for Brant. That's the government House leader. That's the Minister of Finance, who introduces Bill 5.

This is the kind of thing that says to young people in particular, "Why should I show up at the polls? Can I trust politicians? Can I trust people seeking political office who ask me to have faith in them, who ask me to go to the polls and make a choice?" This is the cynicism.

John Ibbitson, whom some will recall—he's now at the *Globe and Mail* in Ottawa—wrote a book about the Harris years. He talked about Mike Harris being a

revolutionary. Many people said that was about tax reductions and different changes in legislation in the province of Ontario. But that's not what John Ibbitson wrote. What he wrote—and even the government House leader I'm sure has read a book from time to time—that was truly revolutionary was that here was a politician who, before he was elected, wrote down in simple, straightforward language so that people could understand it, "Here's what I'm going to do if you vote for me." Then, when he was elected—and this was the revolutionary part—he actually did what he said he would do.

Now, in the year 2003, we have just the opposite phenomenon. On only the fifth day of the sittings of this Legislature we already have about a dozen broken promises, and we have a long way to go. The biggest promise of all has already been broken: the promise that, according to Premier McGuinty, "I will hold the line on taxes." That promise is already out the window for all the people of Ontario. How long did that take? Five sitting days in the Legislative Assembly of Ontario; that's all. No wonder young people are cynical about politics, no wonder a lot of people who aren't young are cynical about politics, when this is the behaviour of a government that bills itself as a government of change, as a government that will make things better. What a way to begin, by promising the sun, the moon and the stars and then, as soon as you get elected, break the promises, break this one, break the next one. Promise breakers, tax hikers, that's who they are, and the people of Ontario already see you for that: cynicism in public life. What ever happened to "A promise is a promise"? Whatever happened to what we teach our children, that a promise is a promise and that we should keep our promises? What a terrible example. This Bill 5 is a good example: the broken promise that there would be a reduction in insurance premiums. Instead, we have a freeze. These reductions were available since September 30.

We made some reforms in automobile insurance law in Ontario this year. We instructed the insurers, as a mandatory matter, that they must refile with the superintendent of insurance by September 30. One look at this bill and you see what the Liberals are up to here. You see the section that deals with—it's section 3 of the bill—the date at which premiums are frozen. All the automobile insurers in Ontario had to refile effective October 30, 2003. What is the date of the freeze imposed by the Liberals? Is it after October 30, so that the superintendent could approve some of those rate reduction applications by insurance companies? No, it's not. It's October 23, 2003. All that work done by the insurance companies—and I'll say more about insurance companies and insured persons—the savings put into the system this year that would have permitted people in Ontario to have a reduction in their premiums today, has been taken away by this government freezing premiums effective October 23, 2003. They are prohibiting, by this proposed legislation, the insurers in the province of Ontario, by having their applications not being capable of being approved by the superintendent of insurance. Who's doing this? The

government House leader and the rest of the executive council, and I suppose caucus if you know about it. October 23, 2003, is the effective day of the freeze. That's calculated; it's intentional. It denies the people of Ontario who otherwise would be entitled to rate reductions depending on their insurer and that application. It denies that possibility in Ontario.

There's an expression for that I recommend it to those on the other side of the House, and in fact to those on this side of the House who are members of the government—and you're welcome to switch to our side, if you want—a concept that's called “file and use.” When you discuss automobile insurance, when you discuss insurance generally, the idea is that insurers, when they file with the superintendent of insurance, would be able to use the rate, within a range that they file with, immediately for the benefit of consumers in the province of Ontario. We would have rate reductions for many consumers in the province of Ontario today, because insurers have said that they were complying with the rate reduction availability that was created for them—some of them were—as a result of the reforms made by the Eves government before September 30, 2003.

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Mr John R. Baird (Nepean-Carleton): You wrote the book.

Mr Flaherty: The member for Nepean-Carleton points out that I wrote the book on the subject. Thank you very much. I hope we keep selling those.

The freeze that is proposed in Bill 5 is a broken promise, but in fact it's worse than that. It is misleading to the people of Ontario to suggest that insurers—

The Acting Speaker: Excuse me. Order. I think the member might want to consider the use of the word that he just used, and he might want to withdraw it.

Mr Flaherty: The title of the bill is misleading to the people of the province of Ontario, Mr Speaker. That's not a comment on a member.

The Acting Speaker: I'm going to ask one more time that you consider the use of that word, and withdraw.

Mr Flaherty: I'll withdraw. But I say to you that the title to this bill is inaccurate. It's wrong. It says it's freezing automobile insurance premiums. When you look in the bill—and I'm sure that members of the party opposite and on this side have looked at the bill—and if they look at section 6, they will see that the superintendent of insurance, despite this so-called freeze, may approve applications that are made during the time of this so-called freeze—

Mr Baird: Section 6.

Mr Flaherty: Yes, section 6. The small print here is always the dangerous print. If the superintendent thinks it's “just and reasonable in the circumstances, having regard to the insurer's exceptional financial circumstances”; “if the insurer believes it is just and reasonable in the circumstances”; if “it is in the public interest.” This is a loophole that, if you'll forgive me, you could drive a truck through, except this bill doesn't cover trucks. I

already covered that. It doesn't cover commercial insurance. It doesn't cover small business.

They can apply for higher rates during the time of this so-called freeze. “Reasonable”: the superintendent can decide whether in the circumstances—“the insurer's financial circumstances,” not the financial circumstances of the millions of people in the province of Ontario who have to pay these automobile insurers. That's not in the Liberal bill. No, it's the insurer's—that's the insurance company's—financial circumstances that are to be considered by the superintendent of insurance, if this bill is passed in Ontario.

That's a concern. It's—I won't say that word because you don't like that word, Mr Speaker. I'll say it takes the people of Ontario down a road that leads to a conclusion that is inaccurate. That is, they think that it's a freeze. They think insurance companies won't be able to get rate increases during this period of time. In fact, they will be able to do so, depending on decisions in this huge loophole by the superintendent of insurance, if the insurer believes that it's justified.

So what do we have in the bill? We have a broken promise. We have a promise by the Liberal government that they will reduce automobile insurance premiums by various percentages, and they use different ones all the time. There's no reduction here. They say it's a freeze. Is it a freeze? No, it's not a freeze. It has a huge loophole in it that you can drive a truck through. It's neither of those things. So what is it? It's window dressing designed to buy time for a government that doesn't know what it should do.

This is a serious issue for people in the province of Ontario. It's a serious issue for people in Whitby-Ajax, I can tell you, more than half of whom are commuting, many of whom take the GO Train and so on, but many of whom have to take their cars. So this an important issue. This isn't something that government should be sweeping under the rug; that government should be delaying for three months; that government should be breaking promises about; that government should be calling a freeze when it's not a freeze; that government shouldn't be dealing with small business about. It's very important, vital for small business in Ontario.

Truckers, small business, I know members here have heard from them. I'd like to know a member in this House, Liberal, NDP—

Mr Baird: Marilyn Churley.

Mr Flaherty: —or Marilyn Churley-NDP or Fibber McGuinty, Liberal—

Mr Levac: On a point of order, Mr Speaker: This has been dealt with several times today. I wish the member would withdraw the word that he keeps using against my leader.

The Acting Speaker: If the member feels it's inappropriate, he can withdraw it.

Mr Flaherty: To quote another great Liberal, “A fib is a fib until it's proven it's a fib.”

Mr Levac: I would like that removed and it hasn't been withdrawn yet.

The Acting Speaker: It seems to me I heard it earlier in the House today. I can't recall that it was found to be out of order, but I'm sure the member will consider that, and perhaps he could help the Chair by simply refraining from using it.

Mr Flaherty: I know the member for Brant is very concerned with giving a good example in political life, so he would be very concerned that there'd be broken promises. He'd be very concerned since he's spoken on this bill. The member for Brant in particular would be concerned about the motorists in his riding of Brant who would mistakenly believe—mistakenly believe—that they will actually get a rate reduction out of Bill 5, that the member for Brant has supported in this Legislative Assembly this evening, that they would get the impression from the comments of the member from Brant that there are savings in Bill 5 for his constituents. But there aren't any in Bill 5, and there's certainly nothing for small business in Bill 5.

The member for Brant would have constituents who are concerned with border issues and the cost of commercial insurance. He'd be concerned about that. You'd think there'd be something in Bill 5 about that, but there's nothing. They're excluded from even being considered in Bill 5. They don't even get to have the superintendent of insurance use a loophole. They don't even get to the superintendent of insurance, because their vehicles aren't included in this Bill 5.

This is important for all of us. It's certainly important for the people in Whitby-Ajax. I'm honoured to have been returned by the people in Whitby-Ajax in 1995, 1999 and again this year, 2003. I'm happy to be here speaking on this issue tonight. I regret I'm not at Whitby council or Ajax council to welcome the new members of council and the returning members of council in Whitby and Ajax. They were meeting at 8 o'clock tonight: Mayor Brunelle in Whitby and Mayor Parish in Ajax; the returning and new members of the Whitby town council; the regional councillors Joe Drumm, Gerry Emm and Pat Perkins; the local councillor Shirley Scott; new councillor Lorne Coe, from the east ward in Whitby, and Mark McKinnon from the west ward; and another new councillor, Sue Pitchford, from the north ward in Whitby.

In Whitby we have a sense of community; a cooperative attitude among our elected officials; a new library; a new university, the University of Ontario Institute of Technology.

Environmental protection: We protected through legislation in this House the Lynde Marsh, the largest class A wetland between St Catharines and Picton, along the north shore of Lake Ontario. All of those things.

We are concerned about automobile insurance. We're concerned about transportation generally. Tomorrow morning, I think it's at 10 am, will be the official opening of the largest new interchange in the province, Highway 401 at Salem Road, which I'm proud that our government—the previous government—made sure happened in the thriving town of Ajax.

All of these things are important and they strike on our sense of community, our obligation to each other, the im-

portance of being able to afford to operate a motor vehicle, which is very important in the greater Toronto area and in the 905 area.

Balance in our lives: The new Abilities Centre Durham, which is planned by Iroquois Park in Whitby, which will be a state-of-the-art facility, provides services to persons with disabilities, although we're calling it the Abilities Centre Durham because it emphasizes not disabilities but the fact that all of us have certain abilities and certain limitations. We should emphasize our abilities together rather than those things with respect to which we have more challenges.

2020

During the period of 1985 to 1995, when the Liberals were in power here from 1985 to 1990 and then the NDP from 1990 to 1995, the people of Durham region, the people east of Toronto, were the poor cousins of those to the west of the city of Toronto. That has changed now with the eight years of government from 1995 to 2003, when we had strong representation and a government that cared about Durham region.

Auto insurance is important to my constituents. I want to speak tonight for a while about the context of automobile insurance and insurance generally in the province of Ontario, with a view, I hope, to members seeing the issue as more than a stop-gap issue, as being an issue that we should spend some time on, that deserves full and candid debate, and a review of the issues in the province of Ontario.

The government is not doing anything with Bill 5—this is just window dressing—but in a few months they promise to come back with something that perhaps, we hope, will have some substance and will address the genuine needs of motorists in the province of Ontario.

This debate is not new. In the mid-1980s approximately there was a so-called insurance crisis in Ontario, in Canada and in North America. This spilled over into the automobile insurance area. It was a debate about availability of coverage and affordability of coverage. That sounds very familiar because, of course, that's exactly what we're talking about today in this context, but also in the broader context of insurance availability generally for consumers and for business in the province of Ontario—commercial insurance, homeowners' insurance, as well as automobile insurance.

The crisis, as it was perceived, in the mid-1980s grew out of business insurance concerns. There were rising premiums. There was a case that had some notoriety in our courts that some members may recall was called the Brampton case. It was a person who was riding a motorbike or a motorcycle in a quarry—I think it was an abandoned quarry—in the city of Brampton who was badly injured. That case proceeded through the courts. In fact, it wasn't an automobile insurance case; it was a case involving the municipal liability insurance policy of the city of Brampton. There was a decision in that case, in the early stages, of an award of more than \$6 million against the city of Brampton. Ultimately, as with a number of these cases that become popularized, they're

not reported quite as well later on when they go to appeal, if they go to appeal, as they are when they're at the initial stages of decision-making. The Brampton case was dismissed on appeal, but it was used as an example by many of the type of case, in which awards were being made to people in the province of Ontario who are victims, that was viewed as an example of excess awards in non-liability or perceived non-liability situations. So this brought up the traditional arguments—this was 28 years ago, in the mid-1980s—about traditional tort remedies, tort compensation and no-fault compensation. We heard a bit of this tonight from the member for Welland-Thorold and the role of the courts, public insurance, private insurance.

The real issue is this: When we are talking about compensation for persons who have been injured in automobile cases and in other situations, but particularly in automobile cases, how do we balance automobile premiums? How do we keep automobile insurance premiums at an acceptable level for consumers while still funding an equally acceptable level of personal injury compensation?

The developments, then, in the mid-1980s related to an emphasis on no-fault automobile insurance, compensation through a no-fault scheme and compensation through the tort scheme. In the determination of auto insurance costs, there are four areas that need to be looked at. This is why it's important that, as the government delays over the next several months, they take time to consider these various issues and the various aspects that come up in each of these areas.

First of all is third-party liability. That is, what is the liability of a driver who, through his or her fault, causes damage or injury to another.

Second is no-fault compensation for personal injury, which is what compensation should be provided to an individual in Ontario, regardless of fault, when they're injured in a motor vehicle accident.

The third area is a big area that doesn't get talked about as much but is very important and that is the collision coverage area: the cost of repairing automobiles in Ontario, the cost of parts. It's not a very dramatic subject but it is a very expensive subject in this province.

The last area is comprehensive coverage, and that has to do with theft and other losses relating to automobiles in the province. That again is an area involving fraud and the theft of various types of vehicles, some specifically, that the Insurance Bureau of Canada has addressed from time to time and which is important for government to address if a serious attempt is going to be made to reduce automobile insurance premiums or at least control the rate of increase of automobile insurance premiums in the province.

The debate about tort and no-fault is not new. In fact, in Ontario we have had some degree of no-fault compensation since 1969. Mandatory no-fault, loss of income and medical rehabilitation benefits have been in place in Ontario since 1972. One of the big differences that applies in Ontario and across Canada and doesn't apply

to the United States in a uniform way is the availability of medical coverage. We have universal OHIP coverage here in the province of Ontario. That makes a dramatic difference in terms of the coverage that needs to be provided for hospital and medical coverage in Ontario, whether it's no-fault or tort compensation.

So we had these issues back in the mid-1980s. The government of the day, which happened to be a Liberal government, Premier Peterson at the time, appointed Dr David W. Slater, I think it was in 1986—he was an economist—to review the issues, which he did. He produced a report called the Slater report in 1986, which had a series of recommendations which the government considered and then appointed the gentleman who is now our integrity commission in Ontario, the Honourable Mr Justice Coulter Osborne, who at that time was a sitting judge, to review the automobile insurance legislation in Ontario, the compensation schemes and to make recommendations, which he did in his report on automobile insurance compensation.

The result of all of that was a bill in 1990 called Bill 68. It expanded no-fault coverage in Ontario. It created for the first time a barrier to compensation in tort for innocent victims of motor vehicle accidents, and that was a very significant development. That had not happened in Ontario's history before, to create a threshold of serious and permanent injury; that someone sustaining an injury through no fault of their own that did not meet the threshold would not be entitled to tort compensation. Of course, they'd be entitled to the no-fault compensation, but not the tort compensation.

In terms of process, that bill created the Ontario Insurance Commission, as it was then called, and created mediation and arbitration provisions on the no-fault side. Those were important developments back in 1990. In fact, I think it's fair to say they were radical changes in the law back then. Again, this was in the context of the Canadian experience in court awards.

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Some people have the impression, perhaps from American reports or American television, that we have very large awards in Canada for what are called non-pecuniary general damages, as much of an oxymoron as “non-pecuniary general damages” might be—damages for pain and suffering, loss of enjoyment of life, damages at large. In fact, we don't have huge awards in that area. In 1978, the Supreme Court of Canada, in a group of cases referred to as “the trilogy,” decided that the maximum award for general damages for pain and suffering should be \$100,000. That was \$100,000 in 1978 dollars, and that's substantially more today given inflation. But again it puts into context the Ontario—and to some extent the Canadian—experience, which is different than elsewhere.

We also have something called the statutory accident benefits schedule—the acronym is SABS—in Ontario, developed in 1990. So we have this system coming out of 1990 and Bill 68 that is an attempt to balance the competing claims, that is complex, that involves a

threshold in tort law and tort compensation, that involves in first-party compensation, no-fault compensation, a mix of court access and mediation and arbitration through the Ontario Insurance Commission, an attempt to balance acceptable levels of premiums and reasonable compensation for innocent victims.

Innocent victims have a right to compensation, and I will certainly advocate for and defend that right. The principle of tort law, which deals with civil wrongs, is that as citizens in our communities, when we cause harm to someone through our fault and negligence, we wish that they be made whole. With an automobile, any of us acting negligently—we hope not—can cause a lot of harm to somebody else. That could be financially ruinous, of course, to any individual in our society; hence insurance, which is the grouping of risks. Our premiums are pooled and are there to compensate those persons, children or whomever, who through our negligence may be hurt. That's the tort compensation part of things. It's based on a good foundation, and the principle is right.

I say, and I know the other members would see this point, that we have to be careful when we address reform, be it in automobile insurance or other insurance areas, not to do harm, not to deny persons who are fully entitled to and ought to receive compensation. I've seen very serious cases in my time in the area of brain-injured children and so on, whom I'm sure all members of this House would agree need full entitlement to compensation. We have to make sure, as we review automobile insurance law in this province, that we do not deny future unfortunate victims their entitlement to that compensation.

At the same time, we have to make sure that the level of compensation on a no-fault basis—that is, regardless of who causes the harm—is not excessive. We have to make sure that fraud in that area is minimized. There's no great secret—the reports say this, and one can read about the cases in the newspapers—about the jump in cases where there was only one person in the car, but when the case goes to the mediation hearing there were three, and they all say they were injured. It is remarkable what some folks will do for perceived benefits in the province. So we have to police for fraud. Why? Why bother? It's just insurance companies' money and all that. Well, of course it drives up our premiums. But even more than that, it takes money away from innocent victims who need the compensation and gives it to fraud artists here.

We need to talk about theft. We need to look at the cost of collision repairs. These are complex issues. So I say to the members opposite, who are the government of the day, as you review this large issue of automobile insurance and the particular issues over the course of the next several months, bear these concepts in mind and realize that this issue has been looked at and studied in some detail by Slater, by Osborne and by others, going back over the past almost 30 years in Ontario and that there's a substantial body of available expertise, of available information going back at least over that period of time, if not before, with which to compare Ontario

performance and the performances elsewhere in the country.

This bill, Bill 5, doesn't accomplish any of the things I've been talking about. It applies only to private passenger cars; it doesn't apply to commercial vehicles. It doesn't reduce rates. It purports to freeze rates. It doesn't even freeze rates, because the superintendent of insurance is empowered to raise rates where he or she sees it reasonable to do so upon the application of an insurance company. So this bill, as I say, is window dressing. But what will come back over the course of the next few months is important for the people of Ontario.

Our reforms, the reforms that the Eves government brought in this year, resulted in savings for the automobile insurance industry. As the industry goes through the year, those savings would be realized, and into next year. It was for that reason that the Eves government directed automobile insurers to refile, effective September 30. Unfortunately, the bill prohibits the superintendent of insurance from approving those applications, some of which would have resulted, no doubt, in reduced premiums today for people in the province of Ontario.

I say again to the members opposite that they might well wish to consider the file-and-use mechanism that is suggested by some automobile insurers in the province of Ontario, and that is where an application is filed with the superintendent of insurance and would result in a modification of rates to the benefit of consumers, that they be allowed to use those rates immediately, subject of course to later review by the superintendent of insurance. In that way, the rate reduction, the reduction in premium, passes right away to the consumer. There are variations on that that I hope the government benches will consider as they look forward to automobile insurance issues and the improvement of the premium situation in Ontario.

There is a need for fairness and a need for competence and diligence as these issues are reviewed. I am worried about that. I'm worried that there will be the tendency to look for a quick fix. That has happened in other places. There were some recommendations made in the reports back in the 1980s and in subsequent commentaries that would have quite a dramatic effect on innocent victims in the province of Ontario.

They also would not address what is a significant problem today in the automobile insurance sector. The area is complex, and there is a need obviously for medical assessment of individuals who are injured, sometimes alleged to be injured, in motor vehicle accidents. The system that is extant now, the DACs, as they're called—designated assessment centres—are expensive, and they engender substantial delay in the processing of personal injury claims. That's bad for victims, and it's bad for insurance companies. Delay is bad in the system because it costs a lot of money, and that money is borne by all of us in our automobile insurance premiums. That delay is bad also because it's expensive, and those expenses do not flow to innocent victims. They don't compensate the people whom we are together seeking to compensate in this system of reparations called auto-

mobile insurance. So it's important that we get at the transactional costs, if I may call them that, in the automobile insurance sector and that we drive those costs down.

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There will be debate about some of those costs. Some of the health care professionals charge, and are permitted to charge, significantly more in automobile insurance cases for their services than, for example, they are permitted to charge if they're dealing with an individual who has a workers' compensation complaint. They will give reasons why they should be allowed to charge more in automobile insurance cases than in workers' compensation cases. I find that argument less than compelling, but I leave that to members on the other side who I know will review this in great detail. Since they're not doing anything in Bill 5, this will give them an opportunity, including—the government House leader is back, sans jacket but back. Here he is in all his glory.

Interjection.

Mr Flaherty: The other member for Nepean. Did you call him the junior member? How American.

Hon Jim Watson (Minister of Consumer and Business Services): You wanted to Americanize Ontario politics in four years.

Mr Flaherty: What is it? "Liberals Americanize Canadian Politics," the Legislative Assembly of Ontario; the junior member for Nepean. There we are.

It is important in the compensation scheme to look carefully at the transactional costs. That is a serious issue: to streamline the costs that are incurred by insurers, and therefore by all people who buy automobile insurance in Ontario, as we go forward. There's that. There's the importance of maintaining a level—and I think many would agree with this—of basic compensation for persons who suffer injury, loss of income benefits, medical and rehabilitation benefits over and above OHIP. So there's that need.

Then there's the need to provide a degree of tort compensation. In fact, I would argue for rather a large degree of tort compensation, because the system works and it's tailor-made; it respects individuality in our province and it respects the dignity of the individual, because no person suffers the same as the other person. An injury to one person may be less significant to that person or more significant than it is to another. But the great value of the tort system, and of the court system administering the tort system, is when you get a situation like a young child with a debilitating injury like a brain injury. Then the courts are in a position to assess the case carefully and individually and make the best effort possible, with the aid of experts and physicians and others, in looking forward in that young person's life and making sure that person will have the compensation needed to receive not only the care they need but also the rehabilitation and the comforts they need as they go forward.

So as some will no doubt talk about lawyers who act for plaintiffs being aggressive in their cases and causing

premium increases, I'd say this: We need to recognize the value for individual, severely injured people who are served by those lawyers. So there's that; there's the no-fault side; there's the importance of getting rid of theft and fraud.

There's also the importance of a very thorough review. I hope that as the government looks at this issue, they look at it in a comprehensive way, that they avoid the kind of window dressing that is represented by Bill 5 and that they balance their review with the need that consumers of automobile insurance have in the province—and it is a mandatory product—the need that people have, to have reasonable automobile insurance premiums.

An automobile for most people in Ontario is not a luxury; it's necessary for them to carry on their lives, raise their families and earn a living in most communities. This is particularly true of course in the greater Toronto area, where there's a great deal of commuting to work, and in Ottawa and other cities across the province. So as the government reviews the significant issues, I hope they bear in mind that this is not a theoretical exercise. It affects families and individuals directly in Ontario, and there's a tremendous need for a comprehensive review of the issues relating to automobile insurance, and a need, quite frankly, for the government to attempt to keep its promise. Its promise was not to temporarily freeze automobile insurance rates; its promise was to reduce those rates. I think "rollback" was the term that was used by the Liberals and their leader during the course of the election campaign.

How do they do that? "Consult broadly." We certainly heard that a lot when we were on the other side of the House, the need to consult broadly. I know the government House leader is a great consultant. He gave me great advice when he was the—what did they call him then? He was he was called the House leader of the official opposition. I didn't appreciate the then-wisdom of the opposition House leader when he told me, "When you're in opposition, you only need to know four words, that the so-and-sos did what." I'll leave out "the so-and-sos." As you enjoy your hours and hours of briefings and all that as Minister of Energy, I hope I'm mindful of your hard work and all the briefings you have. When you get to automobile insurance I hope you will apply that diligence, of which I'm sure you are all capable, and don't do this other thing. This is a big problem we have in Ontario now, these 231 election promises. This is a terrible, terrible problem. Look at that, "Broken Promises Stalking New Premier," another headline. Look at that.

The Acting Speaker (Ms Caroline Di Cocco): I would ask the member to put that down.

Mr Flaherty: I'm sorry, Speaker. It was the junior member for Nepean-Carlton.

The concern starts of course with the big issue about holding the line on taxes. I'm sure the Premier now finds those words regrettable, "I will hold the line on taxes." No doubt they'll disappear from the Web site, but they were actually still on the Liberal Web site today. For

those people who are watching and want to go to their Web site now, they can let me know whether that promise is still on there. Mr Agostino may go now to check—no, he's still here. It says, "We'll hold the line on taxes." This was after—it's hard to believe that's still on the Web site after what happened last week. Did you see what happened here last week? That bill that was introduced, Bill 2: the largest single-day tax increase in the history of Ontario. That was a week ago and they still haven't taken that promise off the Web site. "We'll hold the line on taxes," and the largest single-day tax increase. "I won't raise your taxes": There was another promise, kind of like the other one. Was that one on the Web site too? People can call and tell us whether that's on the Web site. This is shocking business. It's a bad start, when we have serious issues to deal with like automobile insurance, not to do anything about them, to just bring in a window dressing bill that doesn't reduce premiums in Ontario and doesn't apply to trucks, small business and commercial vehicles.

There was that big promise, the whopper about holding the line on taxes and not raising taxes. That's a big one. I don't think you can get much bigger than that one when you bring in the largest single-day tax increase in the history of Ontario. Did I mention that?

Interjection.

Mr Flaherty: Yes, that was another one that came up today: the hard cap on class sizes in Ontario. My goodness, that's a dumb idea. That's really dumb. Talk to principals in your ridings. I'm sure you have. They'll explain to members—I'm sure members have already heard this. They're nodding their heads. The Liberals appreciate this. What do you do with the 21st student? You build another school or you get a portable. We have to believe in our principals as the persons in charge of their schools, and they need to have that flexibility. That's why a dumb promise like that about a hard cap of 20 students is not in the best interests of the people of Ontario. I urge the Liberals to go and talk to school principals in their ridings about this and be educated on the issue in the best interests of the students and, of course, their parents.

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There is also this regrettable thing about the proposed retroactivity of the equity in education tax credit repeal. The idea of repealing this legislation is discriminatory, in the first place, and is against the concept of school choice, which the Liberals and the Premier of the day say they believe in. They believe in school choice, they say, but they only believe in school choice if your school is unionized. They don't believe in school choice if you're not a unionized school. That's the test that this Minister of Education follows. It's not surprising since he and the Liberal government made substantial commitments to the unionized sector.

If you answer the question, and you think about it, "Who is in charge of the education of children in Ontario?"—

Mr Dominic Agostino (Hamilton East): The union bosses.

Mr Flaherty: The member for Hamilton says it's the union bosses. No. It's parents who are responsible for the education of their children. It's very important that we remember the fundamentals, who should choose where their children go to school, and to remember that where parents choose to send their child to an independent school—and two thirds of those schools in Ontario are religious or ethnic—those parents are making a choice based on their own values and beliefs.

When we brought in the equity in education tax credit, we made a point of capping it at a maximum tuition of \$7,000 a year. The so-called elite schools that the Minister of Education refers to are schools that charge tuition that is much higher than that. The average cost of educating a child in the four public school systems in Ontario is approximately \$7,000.

These broken promises—

The Acting Speaker: Could I ask you to take your seat for a moment, please. I believe the topic is insurance. I have listened at length, for about five minutes, and although your discussion is of great interest, I don't think it is to the topic of the bill. I would ask that the member go back to the topic of the bill.

Mr Flaherty: I'm just getting to that, Speaker, about how they get to school. It's in their cars, and they can't drive their cars—

Interjection: And their buses.

Mr Flaherty: And their buses. Their buses aren't even covered by Bill 5. There's the problem.

Interjection: Exactly. They've left out the bus company.

Mr Flaherty: There you go. School buses are not covered by Bill 5. I thank you for raising that, Speaker. It's very helpful.

Mr Dunlop: Dalton McGuinty's car is the only one that's covered.

Mr Flaherty: Dalton McGuinty's car is covered. There we go.

We go back, then, to the bill itself and the commitment. This is important in the sense that people have to be able to operate their cars in Ontario. We've had a problem in recent years—and it's been a growing problem—with uninsured drivers for various reasons driving their cars on provincial highways and streets without buying automobile insurance. This costs all of us substantially, because when an uninsured driver gets involved in an accident and causes harm to himself, herself or others, we bear the cost of that no-fault compensation in Ontario. So we have to be mindful that the insurance product, the insurance policies are affordable to people across the province, to drive down the incidence of uninsured drivers operating vehicles on our streets. That is an issue that requires the co-operation of law enforcement officials and of the insurance companies, but also, most importantly, making sure that those rates are available at an affordable cost to people across the province.

We were told during the course of the election campaign that there would be a solution brought by the

Liberals, by Premier McGuinty and his crew, on many issues—231, actually, if you get a chance to have a look at Lorrie Goldstein's article in the *Toronto Sun*. But the specific one that we're debating tonight, which is important to the people of Whitby-Ajax and people across the province, was that there would be a reduction in the amount of automobile insurance premiums. We come here, then, to the Legislature commencing last week and the Minister of Finance comes forward with Bill 5. We looked in vain in Bill 5 for a reduction in insurance premiums for motor vehicles in Ontario. Worse than that, we see in the bill that those possible reductions in premiums that would have resulted with some companies filing as of September 30, 2003, won't happen, because the superintendent of insurance is prohibited from approving those applications that are already sitting on the superintendent's desk in Toronto. That's a waste of premium reductions for people that are available now in Ontario. Then, we see the failure of the bill to address what is an important issue for small business, and particularly for people doing border transit in commercial vehicles in Ontario, the whole issue of commercial vehicle insurance and coverage for our businesses, particularly our small businesses doing cross-border work.

These are glaring gaps in the bill. Then if one takes out all of that, they say, "OK, at least there'll be a freeze"—the bill says that it's a freeze; it says right on the front of it, "An Act to temporarily freeze automobile insurance rates." No, there won't be, unfortunately, because the superintendent of insurance can approve, through this huge loophole—

Interjection: Truck-sized.

Mr Flaherty: A truck-sized loophole, that's right. The superintendent can approve rate increases on the application of an insurance company where it's reasonable to do that in the public interest and with a couple of other very broadly worded, permissive sections. What's left? It doesn't apply to trucks; it doesn't apply to school buses; it doesn't apply to commercial vehicles; it doesn't freeze rates, because the superintendent can allow gaps; and it doesn't reduce premiums. We're left, then, with 10 or so pages of proposed amendments to bills that will provide nothing for automobile insured people in the province of Ontario.

The Acting Speaker: It is now time for questions and comments.

Mr Kormos: I listened to all of that, and I'm grateful to the member for leading us through the Supreme Court of Canada decision, on the trilogy and dispelling some of the myths that have been relied upon, but when we're talking about auto insurance, it's really all about folks like Marjorie Hannah down in Welland. Just this morning I got a note from Ms Hannah, whom I've known for a long, long time. Ms Hannah is a mature, hard-working woman, a frugal woman, a conscientious woman, a cautious woman. She had insured her 2002 Chevy Cavalier—that's not exactly a Lexus; Chevy Cavalier is a modest car; she paid some \$17,000 for it—with Dominion of Canada. I was quite surprised, because Dominion

of Canada has something of a reputation as being one of the not more generous, but more stable insurers.

What happened was an ambulance was trying to rush up the road, so Ms Hannah manoeuvred out of the way of the ambulance, and in the course of doing that there was a collision with another vehicle. The police investigated it and no charges were laid. Ms Hannah wrote to me today: "I just got my 2004 insurance bill for \$4,616.71."

This is a woman on a pension, driving a modest car. No charges were laid after a thorough police investigation. Dominion of Canada ripped her off. George Cooke, you should be ashamed of yourself. I thought you were better than that. And this bill does nothing for Marjorie Hannah or other victims of a private, for-profit auto insurance industry that has short arms and deep pockets and that is committing highway robbery at an unprecedented rate.

2100

Mr Delaney: We thank the member for Whitby-Ajax for his many-faceted discourse, suggesting that the government of Ontario perpetuate the unsustainable, ponder the unthinkable and attempt the unworkable. We note that the member's critique of a thorough, thoughtful, timely response to a serious and festering issue threatening Ontario's working families and Ontario's small businesses consisted of references to old-time politics, cynicism and a tired old mantra that Ontario's working families rejected on October 2, 2003.

Our government listened to the people of Ontario. We picked up the telephone; we answered our e-mail; we pinpointed the issues; we rolled up our sleeves; we got something done. Today, Ontario's motorists know that their government is acting on their behalf. The bleeding has stopped. The light has begun to shine in the insurance industry's dark corners. The people of Ontario are watching, paying attention, and they can see a government looking out for their best interests.

Bill 5 is the first step in the rebuilding of a fair, affordable and equitable market for consumers and a competitive and viable market for insurance carriers.

Interjections.

The Acting Speaker (Mr Frank Klees): Stop the clock. The member has obviously spent many hours writing this. I think the least we can do is to listen to every word. Please proceed.

Mr Delaney: Thank you, Speaker.

Bill 5 is a promise kept on a promise made, and keeping promises made is not only a hallmark of the good government Ontarians can expect, but also a salutary attribute of good, old-fashioned Canadian politics.

Mr Baird: I thought it was a thoughtful contribution with respect to auto insurance law in the province of Ontario. The speaker is indeed a good friend of mine and he knows that I'm always going to be supportive of a great man like him when he's speaking to issues with respect to auto insurance.

This man in fact actually wrote the book on auto insurance—Ontario Insurance Commission: Law and

Practice, by James M. Flaherty, the same who graduated from Princeton. You can order the book from Canada Law Book, and that's why we're pleased to have him as a front-bench critic.

Mr Kormos: How much is that book worth?

Mr Baird: I suspect the member would get a discount.

Mr Kormos: I bet that book is at least 250 bucks.

Mr Baird: And well worth every cent.

The real disgrace—and this is in all seriousness—is that there used to be a time in this Parliament that, when a bill was being discussed, you'd have the minister or the parliamentary assistant in this place to listen and to learn. The Minister of Finance, whose name is affixed to the front of this bill, is not in this chamber and should be—or his parliamentary assistant.

The Acting Speaker: The member knows full well that it's inappropriate to make reference to the fact that the minister is not here. I ask the member to adhere to the rules of this House, please.

Mr Baird: What I think is outrageous is that we could be debating a bill and neither the minister nor his parliamentary assistant would be in this place to learn from it. There have been a number of submissions made by the man who wrote the book, and it's a disgrace that the minister or his parliamentary assistant isn't here.

Mr Prue: I listened with some considerable intent to the member from Whitby, and one of the things—I think the most important and cogent information that he had to bring forward was the fact that the previous government had attempted to change the rules, whereby people might be able to see some small, little, tiny decrease in the amount of money they were paying for insurance, and those were to have taken effect on October 30 of this year. This bill, coming into effect on October 23, may have—and I'm going to do some research on this, if it's correct—stopped some of those savings being met.

But what he clearly said, and what I have to agree with, and I think what the government must agree with as well, is that in fact this is freezing rates at exorbitant rates that people are paying. We have heard from speakers even within the government that ordinary people, through no fault of their own, are paying up to \$9,000 a year to insure vehicles. Almost every single person in this province who has got an insurance bill this year has seen a huge increase—and it's a huge increase—at the same time that the services they once had are being decreased. The previous government allowed insurance companies to do a number of things that took effect at the beginning of October of this year; at the same time, there was no decrease that came along with it. There have been decreases in the amount of money that is provided to health care providers. There are decreases in the standards upon which people are judged for pain and suffering. There are deduction increases for people, ordinary insurers, and there is an income replacement law that reduces the income that one can get back from four hundred—

The Acting Speaker: The member for Whitby-Ajax has two minutes to respond.

Mr Flaherty: I appreciate the comments of the members opposite, including the member for Mississauga West, which I did listen to; I didn't understand, but I listened to the speech that he gave about untouchables and other things.

I do hope that the members opposite—I mean this sincerely—when they tackle the issue relating to automobile insurance in Ontario, not only relating to private passenger automobiles but also trucks, buses, school buses and all the rest, work hard on it in caucus and in policy development and with the stakeholders. There are differing points of view, certainly, among the various stakeholders in the province, and it's important that they be not only listened to but reconciled, because there are some points of view that are difficult to reconcile, and that when we do reform the system, which has been the history in the province, the system stays the same for five to 10 years before there are substantial amendments again.

That means that the government, when they are reviewing the issue and bring a bill forward in the House—and since they have a majority, it will likely pass—will be affecting the lives of thousands and thousands of people who will sustain injury in motor vehicle collisions, and you'll be affecting the lives of the millions of people who, by law, are obliged to purchase the automobile insurance product in Ontario, going forward over the next five to 10 years.

So this is a serious issue that affects daily lives in Ontario, and I trust that the members who have listened intently tonight will take into consideration some of the comments that have been made, and if they forget anything, they can look up a lot of it in my book, Ontario Insurance Commission: Law and Practice, available from Canada Law Book; no discounts for Liberals.

The Acting Speaker: Further debate.

Ms Di Cocco: I thank the member for Oak Ridges for relieving me in the chair so I could speak to this very important bill.

I sat and listened with interest for the full hour as the member for Whitby-Ajax spoke at length about some details regarding insurance and insurance rates.

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Unfortunately, we again have seen that in the fourth quarter of 2002, when the Conservative government was in power, insurance rates increased 9.2%. In the first quarter of 2003 they went up 7.3%. In the second quarter of 2003 they went up 8.5%. In the third quarter of 2003—that's up until just two months ago—another 8.2% increase. So what we saw and what we heard about from our constituents were unfair increases, that whether or not someone had any type of accident or they had great driving records, it didn't matter; insurance rates went up. The question I have of the previous government is, where was the mechanism for consumer protection?

There is a role that government plays. That role is to be an equalizer, if you want, and to protect the consumer when costs skyrocket. I spoke to someone just the other day whose insurance went up 35%, and he had a clean

driving record. So the public has a right to ask: "Where is the government on this? Why is not anyone protecting the consumer?"

I'm pleased to speak to Bill 5, which begins a process, because this is—I agree with the member from Whitby-Ajax—a very complex industry. What we have happening is that we have the parliamentary assistant, Mike Colle, meeting with stakeholders. He's meeting with insurance companies, legal people, consumers, health care providers. He's meeting with all the stakeholders so that, while we have this freeze which we've asked for on October 23 and insurance companies cannot be approved for an increase of rates as of October 23, in the meantime that gives us a chance to take a look at being able to reduce and lower the cost by 10% and pass it on to the consumer. You see, these will be recommendations that are going to be applied by new regulations based on these stakeholder meetings, the stakeholder consultations. Why is that important? It's important because the answer to wrestling this issue down to the ground so that we can protect the consumer is very complex. It's going to be very difficult to do, but we are doing it, and we're doing it the right way.

We have had, certainly since I've been here since 1999—I listened again with great interest when heard the member from Whitby-Ajax consistently talk about cynicism. He was talking about low voter turnout. He was talking about young people being disillusioned. I know there are a number of reasons that I certainly can relate that to, and it is a lot more profound than what we sometimes hear in this House. It's a lot more profound, because in the past we have seen ministers, in the conduct of their ministerial duties, propping up candidates in ridings across this province. It is that type of that conduct, at many times—

The Acting Speaker: Order. I happened to observe that when you were in the Speaker's chair, you brought the member for Whitby-Ajax to order and asked him to keep focus on debate on the bill at hand. I'm hearing you drifting, and I know you to be an honourable member. I would not want you to go over the precipice, so would you kindly come back to the bill at hand.

Ms Di Cocco: Thank you, Speaker. As I respond to the comments made by the member for Whitby-Ajax in his debate on this bill, in that context I'll bring up that issue.

When we talk about credibility, this bill gives and provides our government's commitment to delivering a major commitment by taking steps to lower auto insurance rates and protecting Ontario's consumers. By meeting that commitment, we will help to raise the credibility of what government is here for. It is here to protect the consumer. It isn't here just for big business; it's here to protect the consumer, as well as trying to provide an environment for business to thrive. You have to have both.

The people of this province obviously made a clear choice on October 2 that they wanted to restore a sense of credibility in this province in meeting commitments with

a responsible and thoughtful approach, instead of a very reactive approach as we have seen over and over again in the past eight years.

We're determined to act responsibly to protect auto insurance consumers by reducing these out-of-control costs and making sure that these cost savings are passed on to consumers as lower premiums. We didn't have that assurance; we saw a government repeatedly sit on its hands whenever consumers were impacted. The consultations that were held for budgets were very selective. They were by invitation only. They weren't open to the general public.

This bill, if it is passed, would freeze insurers' rates at levels approved on or before October 23, 2003, and would prevent further approvals from taking place for 90 days. That is an interim step to say, "OK, you can't raise your rates now. Let's take a look at all this and let's talk. Let's bring it down 10%." That's what this process is about.

This legislation is an important first step. We don't say it's a panacea, an answer to everything; we're saying it's a first step. Unlike the previous government, we don't have the arrogance of suggesting that we have all the answers immediately. I sat where the Conservative opposition is sitting now for four years, and I heard the absolutes from this side of the House at that time when the Conservatives were here. It astounded me that these simplistic approaches to solving problems were what came across all the time. Obviously the public decided, "You know what? We're not buying this any more. We're not buying the simplistic approach." This legislation, I'll repeat it again, is a first step. It isn't the be-all and end-all; it is a first step in the right direction. We know that it's complex. We know that it's going to take time. We're not making assumptions that we have all of the answers all of the time.

These measures will maintain both availability and choice for consumers in obtaining auto insurance. Many times in the past in this House we have seen bills come forward and—let's put it this way—it was, "This is the bill. It's going to get passed. We're going to cut off debate, and let's move on." That was the approach we had, I think, about 90% of the time. We want to speak with our stakeholders. We want to deal with a complex issue such as auto insurance, and we want to deal with it appropriately. That is what this bill is going to do. Again, it's a first step in getting there.

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I have to say to the people of Ontario, to the people who are listening, that at the very, very least we're attempting to resolve this issue. This legislation is an important step in restoring the confidence of the people of Ontario. Why? Because it's going to bat for them. For a long time in this province, the government of Ontario did not go to bat for the consumer. We have many examples of that: when decisions were made to cut meat inspectors, for instance; when decisions were made to cut water inspectors. Why? Because in the past the consumer, the citizen of this province, was the lowest

priority held by the government. That is why the change on October 2.

I listen with great interest when the members of the opposition appear not to remember that it was just a few short months ago when they were at the helm, and at the time they were at the helm they consistently eroded transparency, the democratic process and intertwined roles, partisan roles and non-partisan roles, in the conduct of their ministerial duties.

I have to say that we also encountered something interesting—it's not interesting actually; I would say it's quite tragic—almost Enron-like accounting as a way of balancing books. You balance books by fudging numbers. You balance books by papering over the reality.

Our insurance bill will ensure that there are going to be absolutely no more rate hikes over this 90 days. But prior to October 23, there have been approvals that were given by the previous government, to renew, for insurance companies to raise rates. There's a possibility that people will get bills over the next few months based on that approval that was given prior to October 23. They may see some insurance rates going up. We're going to do everything we can to make sure we get this right, because it is tremendously complex.

The consumers in this province are saddled with higher insurance rates, many people are saddled with higher assessment rates, and over the last eight years, they've seen their quality of service decline.

I say to the honourable members in opposition that the people of Ontario very clearly understood what our position was on October 2. They knew that we were going to rescind corporate tax cuts. They knew that we were not going to implement the education property tax credit for seniors. We told them categorically that we would not proceed with the private school tax cuts. They knew that, and they made a choice. What I hear from the opposition is that they did not learn anything from that election on October 2.

Mr Dunlop: We learned.

Ms Di Cocco: No, you maintain that we didn't promise these things that we promised. You're interpreting that as a broken promise when in fact that was a very clear position. The Conservative opposition doesn't seem to understand that the public in Ontario, the citizens of Ontario, have said, "Do you know what? We want our public services back. We want our health care back. We want good public schools. And we want a government that protects the consumer as well providing an environment for competition, for economic growth. We want that." They don't want this simplistic notion of, "If we paper it over, if we give them a good story, a good fairy tale about balancing budgets, they'll believe it, they'll buy it and maybe we can get away with it."

Do you know what happened? You didn't get away with it, because the public is a lot smarter than that. They know when tough decisions have to be made. They understand when there is objective analysis done or when it's partisan. They know when their democracy is at risk because there is such arrogance in the government that

they take a budget and read it outside the Legislature to invited guests and think nobody is watching. They were huge mistakes, and unfortunately one of the problems in this House is that the official opposition doesn't seem to want to admit that there were very serious mistakes. They maintain the same type of language, they maintain the same type of direction when the people of Ontario categorically rejected it on October 2.

We are here to learn from that. We are the people's representatives, and the people of Ontario have told us that they did not want that style of government any more. The people of Ontario wanted a progressive and prosperous future that added a quality of life, and I would suggest that they wanted somebody to be straight with them. They wanted a government to be straight with them and to stop the spin-doctoring that had gone around over the last eight years. The people of Ontario wanted a government that is going to enhance our democratic process and they wanted a government that is here to serve the people, not to be served by them. That is why on October 2 they saw a fundamental difference with the Conservative government and decided to elect a majority Liberal Party government in Ontario.

The Speaker (Hon Alvin Curling): Questions and comments?

Mr Dunlop: It's a pleasure to hear the young lady from Sarnia-Lambton speak on this particular bill.

Mr Kormos: It's "the honourable member."

Mr Dunlop: The honourable member from Sarnia-Lambton.

I was listening to the last part of your speech, which got way off topic—you got back on to the political end of things. I guess what was really amazing to listen to among your concerns were some of the things you brought out. You're right: People wanted a change and they chose change. You got around 45% of support in the province and we got about 36%. And you talked about all kinds of exciting things. You were going to do things like democratic renewal. Well, we've seen how you treated the NDP. If you think it's going well out there, I suggest you talk to people in your riding about how the NDP has been treated. I tell you it's not going over very well in Simcoe county. They don't like the NDP, but they respect the NDP.

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Second, we're going to watch very carefully over the next 18 months to two years and see how many jobs are created under a Liberal government in Ontario. That is something that will be really exciting. In the last eight years there have been over a million jobs created under Mike Harris and Ernie Eves. We'll watch very carefully and compare those numbers.

What's more fascinating than anything is that when Mike Harris and Ernie Eves made a commitment, they kept their promises. When the public elected you to govern Ontario, they expected promises to be kept, and they haven't been kept—many, many promises already. I think you're losing a lot of respect in the first two months of this Parliament.

We'll watch very carefully with the polling etc. I doubt very much if you've gone up. I wouldn't doubt, if you did a clear poll right now, that you're down about seven or eight points from where you were on October 2.

Mr Speaker, thanks for the opportunity of saying this tonight. That was a great Christmas party.

Mr Kormos: I'm here in this NDP, New Democratic Party, caucus with my caucus mate Michael Prue, the member from Beaches-East York. There are just the two of us. All our other caucus colleagues have gone off to other events, so we can't really do very much any more tonight. I guess that's a clear signal to Liberal members that they might as well go home and just keep a skeleton crew here to maintain a quorum. I wish we had five New Democrats here to hold these people's feet to the fire, but our members are just busy out there in the field. Once again, I see Liberals getting up and leaving. They know it's their responsibility to keep but 12 people here. I'm sorry, I hope I haven't disappointed any of the folks at home who expected antics from the NDP this evening.

I heard the member say it's a first step in getting there. The problem is she didn't tell us where they are going. The problem is she doesn't know where they're going. Getting where? The idea is to provide fair, affordable auto insurance: fair to drivers; affordable—implicit in fair; and fair to innocent accident victims. What you guys have done is crawl into bed with the private, for-profit automobile insurance industry—like I told you before, this is no queen-size bed, this is a king-size bed, because there's room for the Tories on one side and the Liberals on the other. It is the ménage à trois, that unholy trinity I talked about just a few minutes ago. The problem is that at the end of the day, who gets screwed? It's the drivers and the innocent accident victims. They're the ones getting the shaft.

You guys haven't done anything about the affordability of auto insurance. Your bill doesn't achieve that. Your bill is but a little bit of window dressing to buy a little bit of time. It's so reminiscent of a frantic David Peterson saying, "I've got a very specific plan to reduce auto insurance premiums," which, just like your agenda, will produce higher premiums, a crisis in availability and more people in Facility Association. Shame on the Liberals.

Mr Agostino: I'm certainly pleased to have a quick two-minuter on the excellent comments made by my colleague from Sarnia-Lambton.

I believe the junior member from Nepean is the next speaker. As he launches his leadership bid, maybe tonight he can explain to us why in eight years your government failed to clean up this mess. You had eight and a half years to clean up this mess and you failed.

And then of course, listening to the member for Niagara Centre, you would think they were never in government, that they never had a chance to fix this. Do we remember the Agenda for People? Remember the platform in 1990 that Bob Rae got elected on—public auto insurance? They got elected with a majority government. They brought in the social contract—they were able to

get that through the House—which basically blew away every fundamental belief the NDP had. Every principle the NDP had was washed away by the social contract. But in five years they could not find the courage to bring in public auto insurance. Of course, they ran on that again this time, telling us how wonderful it was going to be. It was like, "Believe us this time. We ran on it last time. We had a majority government, we had five years and we didn't do it. But believe us, we'll do it now."

The reality is that Premier McGuinty and the Liberals are committed to reforming auto insurance. We're committed to protecting drivers in Ontario. We're committed to lower rates. We took the first steps within hours of being sworn in as a government. We're now taking initial steps and we're going to finally fix the mess that five years of NDP government and their commitment didn't do. In eight years the government of the junior member from Nepean couldn't do it. Finally you have a Premier and a government committed to helping drivers. We're not here for the insurance companies; we're here for drivers.

Mr Baird: I find it most interesting that the member for Hamilton East would stand in his place. It's almost that he is fearful of the role that New Democrats play. They are not even barely the third party—they've got seven members—and all he does is go after them, which shows that he's perhaps afraid of a challenge on the left.

I did listen with great interest to the speech from the member for Sarnia-Lambton. She talked about how they're doing what they said they would do and keeping their campaign promises. I say to the member for Sarnia that no one believes you. I don't think you could find a single soul—

Mr Levac: I do.

Mr Baird: —who is not a member of the Liberal Party or a spouse of a member of the Liberal Party who believes that the Liberal Party keeps its promises. Look at the quotes that we read.

The Toronto star, in a big banner headline, "Broken Promises Stalking New Premier." That's out of—

The Speaker: Could you make your comments without showing all those placards, or next time I will cut the comments and allow others to speak.

Mr Baird: Good advice, Speaker, and I'm going to follow your advice.

The Liberals' official mouthpiece, the Toronto Star, says they don't keep their promises. And I think if you went around the province of Ontario you would find probably 95% or 99% of people believe that Dalton McGuinty and the new Ontario Liberal government don't keep their campaign promises. You would find that people from right across the province would agree that—

Interjection.

Mr Baird: Well, the member from Windsor-St Clair, almost as unanimous as the election.

They go from 40% to 46% of the vote and they think they have the mandate to break all of their campaign promises. I think the one thing the member should have spoken about was the cynicism that taxpayers have. We

have laws on the statute books—as the junior member for Nepean, Mr Watson, will tell you—that banned door-to-door fraud artists, that say people cannot knock on your door and promise one thing and not deliver. There are specific consumer protections against that that this chamber has adopted, and what is clearly self-evident is that we need to expand these away from just the economic regime of the province to the political regime, and then we would earn a lot of—

The Speaker: Thank you. The member from Sarnia-Lambton, you have two minutes to wrap up.

Ms Di Cocco: I thank the members from Simcoe North, Hamilton East, Niagara Centre and Nepean-Carleton.

One of the tremendous failures of the Conservative government of the past was that they thought that if they said something long enough, people would believe it when in actual fact it wasn't accurate. That's the approach that failed, because the public is smarter than that. They know we have made commitments. We have been here for one week—five days that we've been in the House—and we have kept many, many promises. We are doing exactly what we were elected to do.

Interjections.

The Speaker: Order.

Ms Di Cocco: Thank you, Speaker. Unfortunately, that type of comment that I consistently hear in the House is obviously a strategy that the Conservative Party wants to use. I have to say that it looks exactly like the Enron-like accounting that we had when we found our \$5.6-billion deficit. Auto insurance needs to be wrestled to the ground. We have to proceed to a point in time where we are reducing rates for customers, and I would say to the opposition that I would listen carefully if I were you to the people of Ontario and not try, as you did during the election campaign, to try to sell them something by repeating it over and over again, because it doesn't sell.

2140

Mr Baird: I'm pleased to rise and debate on this piece of legislation. The title is, as the member for Hamilton West used to call it, a bunch of Orwellian doublespeak, "An Act to temporarily freeze automobile insurance rates"—temporarily: wow, is that inspiring. They're going to temporarily freeze. There's bold action in the first few months of the Liberal government.

I want to say to the member for Sarnia-Lambton, who just spoke—she says that obviously this whole label of broken promises in the Liberal government is all the Tory regime—we've even got the Toronto Star in on it with headlines like "Broken Promises Stalking New Premier." This is the first time we've got 99% of the population convinced, buying the Tory spin that this government doesn't keep its promises. Could the member opposite just think for a moment that perhaps they're not keeping their promises? More than any government in recent years, they are a government who either made the promises recklessly, or were negligent in not under-

standing the consequences of such, or were deliberately irresponsible—I can't say the word in this place.

I read the title of this bill: "temporarily freeze automobile insurance rates." The Minister of Finance stood in this place last week, tabled this bill, and in his minister's statement talked about how Dalton McGuinty had travelled to 17 communities and had all the answers. They even had a policy paper on this issue. Certainly when they were on this side of the House they had all the answers. No need to consult; no need to talk; they were ready for action. He went to 17 communities. He had all the answers.

Ms Monique Smith (Nipissing): That's consultation.

Mr Baird: That's consultation, the member says. Then they come in with this bill, which sends the member for Eglinton-Lawrence on another dog-and-pony show, because they still don't know what they want to do. More consultations. Let's talk about it some more. I say to the member for North Bay, what about keeping your campaign commitments? What about doing what you said you would do?

The one thing they said about the former member for Nipissing is, "I may not like what he does, but he does what he says, and I admire and I respect that." I bet you there isn't a single person in the province of Ontario who says, "I admire Dalton McGuinty and the Ontario Liberal Party for keeping their campaign promises." I don't think there's a single 1% of people out there who think that this government is anything but the most cynical government that breaks their campaign promises or, even worse, had no intention of ever keeping their campaign promises.

I know that if Joe Cordiano were leading a government, if he had continued his lead on Dalton McGuinty at the leadership convention, he would have kept his campaign promises more than Dalton McGuinty has.

We look at this. They said they had all the answers—not that they had all the answers, but that they could move and take action within 90 days. What do we get in this bill? Another dog-and-pony show, another make-work project for a Liberal backbencher, who should have been a cabinet minister in every respect. They're going to send him on a big tour.

Interjection.

Mr Baird: Yes, when the House is sitting for 16 days. I'll tell you, over the last eight years we sat a lot more often than 16 days. With the former government, in our first year, it was the first time the Legislature sat in every month of the year and the first government in 65 years to increase its share of the popular vote.

You look at 17 communities. They were canvassing wildly and they had all the answers, and now we just have another talking point for this bill. I feel bad for the member for Eglinton-Lawrence. I know it's going to be terribly embarrassing for him to take a trip.

Interjection.

Mr Baird: He's suffered the indignity of not being put in cabinet; he can handle it.

I look at this bill, and what are they going to do after this dog-and-pony show? They might keep half of their

campaign promises—late. Big deal. A 10% rate cut, after a piece of legislation, when they clearly promised a 20% rate cut. The high bar is 50%. When we were going to school, if the teacher said, “Wow, if you do everything perfectly, you might be able to get 50%.” That would be a unique situation indeed. The sad reality of the debate before us today is that the government has set the bar so low. We wonder how low they will go. It’s 50%. We know that with Bill 5 the goal is 50%.

They bring in this bill where they’re going to adopt half of their campaign promise—maybe—50%, with respect to insurance rates. They’ve identified \$650 million of cost reductions that they’re going to pass on to insurance companies with the hope that they might, on average, reduce them by 50% of what they promised. The previous government had come forward with two announcements, on July 22 and in August, which would have seen premiums go down by 15%; \$1.4 billion in savings were presented to the auto insurance industry, an \$8-billion or \$9-billion industry in Ontario, where they could have acted. And there were three regulations on the desk, ready to go, in place—no problem, done, completed—so that, if they had no introduced Bill 5, automobile motorists in the province would be experiencing rate reductions with the rates that were tabled on September 30. But it’s not to be.

For petty and partisan reasons, this government wants to take credit for a dog-and-pony show that the member for Eglinton-Lawrence will go on, whereas today motorists would have a break if the work done by the auto insurance commissioner, Rob Sampson, had been followed up. There were three regulations ready to go which, on that September 30 filing, would have seen rate reductions be effective today. Rather, we have to wait for this dog-and-pony show to follow up. It’s Orwellian doublespeak.

The other reality with Bill 5 is that it’s illegal to lower auto insurance rates in Ontario—it’s illegal. If an auto insurance company wants to lower rates, it’s against the law. Is that what you people campaigned on: “I want to make it illegal to cut auto insurance premiums”? We got this bill. Of course, because it’s a shell bill, most of the law under this bill will be decided in the backrooms with the insurance industry at the table, not taxpayers, not motorists, not those who might become disadvantaged as the result of an automobile accident. I look at all the members who are not in the executive council. Most of them won’t have a seat at the table to be able to debate this. It will be done behind closed doors. The Legislature is not going to be sitting, so there will be no accountability, and that’s exactly what this government wants.

I looked at the bill, however small it is, and there’s a great section. Do you want to hear the section? Section 6: “An insurer may apply to the superintendent”—a bureaucrat—“for approval to charge rates that exceed the authorized rates....” Big deal. You couldn’t drive a Mack truck through this; you could take a whole Mack truck factory through that clause. Whenever the insurance

industry will cry the blues, they can suck up to this government, they can take them out to lunch, they can give them a campaign contribution and try to curry favour with this government and try to get a rate increase. Will we be consulted, will the Legislature be consulted? No. They just claim poverty, which, as the member for Welland-Thorold has said, they claim quite regularly and frequently. This piece of regulation is nothing because of section 6. There’s no public accountability. There’s no legislative committee that will review this if it’s passed, and I think that’s regrettable.

What we hope to see is that rate reductions would not be made illegal under this bill, and that’s something we’ll be undoubtedly raising. We want to see section 6 either eliminated or tightened up and allowing some public scrutiny of the Legislature. And we want to know what happened to the other 10%. If it was good enough to knock on people’s doors—if an insurance industry company promised you a 20% rate reduction at the door and you bought that contract and they didn’t deliver, you would be the very first people bringing in a new law to make it illegal and to ban the practice, because that type of door-to-door solicitation would be called fraud, that when you lie to people, when you knock on their door it would be called fraud in the insurance industry.

2150

Mr Delaney: On a point of order, Mr Speaker: “Fraud” is a judgemental word that the member cannot substantiate.

The Speaker: The member has used some words that are unparliamentary. Would you like to withdraw them?

Mr Baird: Speaker, I am certainly in your hands and if you would like me to—

The Speaker: You have to withdraw them.

Mr Baird: I will.

I certainly underline to them that I was talking about if insurance industry practitioners—not a member of this House, not a political party—knocked on people’s doors and promised them a 20% rate decrease, and someone signed a contract, and they didn’t deliver, these folks would be the first people to label that as fraud, as lying.

Mr Delaney: On a point of order, Mr Speaker: “Fraud,” “lying.”

The Speaker: The member for Nepean-Carleton, you know that you are trying to be creative about this. I would rather you not use those unparliamentary words here. Could you withdraw that, please?

Mr Baird: I will withdraw. The standing orders are very clear. You are not allowed to accuse a member—

Interjections.

Mr Baird: I withdraw. The standing orders are very clear and I will obey all the standing orders.

The Speaker: Order. Are you questioning the fact that—

Mr Baird: No.

The Speaker: OK. Will you proceed.

Mr Baird: The standing orders are very clear. I agree with you, Speaker, that you cannot call another member

of this House an unparliamentary word. You must deem them to be honourable.

But what I say is, when there are unscrupulous practices in the private sector, when we had energy retailers allegedly going to doors and being less than honest, being dishonest, those commercial practices—

The Speaker: I will warn you one more time. If you insist on doing this, I will then ask you to end your discussion and debate.

Interjections.

Mr Baird: The members opposite are making some very colourful comments.

So, we are going back to Bill 5 and the 20% rate reduction, which is not in this bill. It's one that was promised. It was one that people said, "You know what, I'm paying too much for auto insurance, and the person who knocked at my door said they're going to cut it by 20%."

Interjections.

Mr Baird: I just saw them on the TV. This TV commercial said he's not going to raise my taxes. They put out the cigarette in their hand—the senior citizen, perhaps with children that he's sending to an independent school—and they said that the Liberal Party would not raise your taxes. He didn't say, "Please consult my Web site to find out exactly what that means." He said, "I won't raise your taxes." They did. If you smoke, they're raising your taxes.

Mr Jean-Marc Lalonde (Glengarry-Prescott-Russell): Well, we should all stop.

Mr Baird: Tell that to the Minister of Finance.

The Speaker: Will you direct your debate to the Chair?

Mr Baird: I say to the member for Glengarry-Prescott-Russell, he should tell that to the member for Don Valley East, who refused a request from a Conservative staffer not to smoke in the opposition lobby. They're going to ban smoking everywhere, except for the politicians at Queen's Park. When a Conservative staffer by the name of Brian Patterson was concerned about his health and safety, and the health and safety of other Conservatives—they laugh over there—and the health and safety of other employees of the Legislative Assembly, perhaps of the clerks, perhaps of the ushers and the pages and the chief government whip, he said, "No, I'm allowed to smoke here anyway."

Mr Kormos: Who was that, John?

Mr Baird: It was the member for Don Valley East.

Mr Kormos: Was it David Caplan?

Mr Baird: David Caplan.

The Speaker: Order.

Mr Baird: The opposition House leader stood in his place and fought for workers' rights.

That's another example of this Orwellian doublespeak: "We're going to give you a 20% rate reduction, and then we're going to talk about maybe 10% after Christmas, when the House isn't sitting. We're going to do it behind closed doors when you can't see it." That's disgraceful. They look at you on TV and say, "I won't raise your

taxes"—unless you smoke. Is he going to put that money for increased taxes toward cancer care? Is he going to put it toward cancer treatment? Is he going to put it toward health care services? No. It's going to go in the general pot. Frankly, I don't think people would mind—

Interjection.

Mr Baird: There's no increase in health care with that money, my friend, none at all.

I think my constituents in Nepean-Carleton may say, "Do you know what? If you're going to take an extra few hundred million dollars from me for cigarettes, as long as it's a cancer user fee, no problem." Many people in my riding would say that. But they're not. Are they going to take any money, as the member from Brant-Haldimand said, and put it toward helping tobacco farmers? No, because we have such a weak Minister of Agriculture who couldn't deliver for farmers in this province, and that's regrettable.

This is a pattern where people are promised one thing and get another thing entirely. That's terrible, and I hope it doesn't continue.

This is, as the member for Sarnia said, a Conservative-Toronto Star plot. We are in cahoots. The Conservative Party is in cahoots with the Toronto Star on this issue, and Richard Brennan and all the editorial staff—

Interjection: Benzie.

Mr Baird: —Benzie—we're all in cahoots with the Toronto Star on this issue.

In this Bill 5, we not only understand the difference between lowering and freezing—lowering is what they promised during the election; freezing is what happens after the election, but it's not what they said they would do. What do people say when people say one thing and do another? They call them politicians.

Mr Kormos: They call them liars down where I come from.

Mr Baird: Really?

This bill prohibits rate reductions, and it's frankly disgraceful. I won't be voting for this bill. I will be voting against this bill. There is a long parliamentary tradition that when a minister tables a bill and it's debated in this House, the minister or the parliamentary assistant participate in the debate and are there to listen. They might learn something during the debate from the folks from Nepean-Carleton. We learned some stuff from the constituents of Welland-Thorold.

Interjections.

Mr Baird: That would be unparliamentary for me to say. It's unfortunate we're breaking that convention.

I see a range of promises that have been broken. This is small potatoes. This is one of the least. What bothers me isn't so much the promises these folks break; it's the promises they keep. That's what bothers me. It's the promises they keep that concern me.

Interjection: You're never happy.

Mr Baird: I've always been happy. I say to the members opposite that you can talk to the opposition House leader. We have the best cordial relationship between the parties. I just think the few promises they've broken are

less the problem; it's more the promises they're keeping that are a concern.

I'm going to give you a great quote. I have to confess, I have nominated the speaker of this quote for the Liberal promise-breakers club. As you know, the first Liberal promise-breaker was Dwight Duncan. Dwight, if you're watching this on TV, you are the charter member of the Liberal promise-breakers club. Congratulations, Dwight. You're the best.

The number two member is Greg Sorbara, the finance minister. We gave it to him for three reasons. He won it for three reasons.

Mr Dunlop: Greg deserves it.

Mr Baird: He deserves it. It was well earned, because he broke a lot of promises.

But because I care about auto insurance, I have nominated—it hasn't been awarded yet, but I can talk about the nominee. If he had actually been awarded the bill, I couldn't speak about it. I've nominated John Gerretsen for the promise-breakers club.

The Speaker: Could the member identify members by their ridings and not their names. You have done this about six or seven times, and it seems to be deliberate. So don't do that again.

Mr Baird: You are correct, Speaker. I withdraw that. I made a mistake.

I have nominated the member for Kingston and the islands. I have the best quote from the member for Kingston and the islands. Listen to this—Hydrozilla is here?

2200

I say the member for Kingston and the islands has the best quote. He says, talking about our plan to give tax credits and tax cuts: "It goes directly contrary to the whole notion of government and what government should all be about, which is to collect taxes from people."

He actually said it on June 11, 2003. He thinks that is why government is here, to collect taxes. We think government is here to help people.

The Speaker: Questions and comments?

Mr Prue: I listened intently to the previous speaker. He said one thing over and over again: that this government promised one thing and then we appear to be getting another.

Mr Kormos: Lie after lie after lie.

Mr Prue: I'm not going to say those words.

I think that not only is it being said in this House, but I'd like to quote a letter from the Ottawa Sun of November 20, just last week.

Mr Baird: Dalton's hometown paper.

Mr Prue: Yes, the Premier's hometown paper. It's by a gentleman by the name of Brian Holland: "Brian Holland was stunned to open his recent auto insurance bill and see an increase. Like thousands of others, the Ottawa man was expecting his rate to be frozen ... Holland isn't really upset about the size of the increase—about 13%—despite having no tickets or accidents on his record. He's upset it's there at all.... "I'm not saying it doesn't make sense," he said of the government's

rationalization of the increases. "But I feel like I was ... by a Premier."

Mr Kormos: Did you say, "lied to"?

Mr Prue: No, I didn't say that.

People out there in huge numbers are starting to get their auto insurance—as a matter of fact, I got mine today too. I got it and I phoned up, because I have an increase as well. I phoned up and asked them, "How come I have an increase?" This is dated November 20, when you sent it out to me. This is well after the Premier promised, on October 23, that rates would be frozen. Quite frankly, the response was exactly as one would expect; that is, that the approval was months before that, because they anticipated that this was going to happen. I will tell you they've anticipated a rate freeze too, because there will be increases after the 90 days. They will wait for them.

Mr Delaney: We find the comments from the member for Nepean-Carleton most illuminating. We note that he calls the naming of a bill that temporarily freezes auto insurance premium rates to be, and I use his words, "Orwellian doublespeak." From a member whose government so thoroughly disempowered those who rent their accommodation with a piece of legislation called the Tenant Protection Act, an allegation of Orwellian doublespeak does indeed test the limits of the envelope of credibility. The title of Bill 5 accurately reflects the hiatus and the breathing room that regulators, the insurance industry and consumers need to understand and prioritize and address the fundamental needs of Ontario motorists and understand and address the contributing factors to the soaring cost of auto insurance premiums. A bill that lays out a 90-day freeze calls a temporary freeze exactly what it is.

That's straight talk from a government that has taken its commitments to Ontarians seriously. That's straight talk for the young woman from Mississauga West who saw her premiums more than triple for a minor fender-bender. That's straight talk for the young man from Mississauga West who is hoping that costs will come down so he can afford insurance, now that he can finally afford his car. Straight talk, promises kept and good government: This is an issue this government is on the right side of, and we're proud of it.

Mr Dunlop: I'd like to congratulate my colleague from Nepean-Carleton for his comments this evening.

I think what's important here is that a lot of citizens of our province, over the next three or four months, are going to be receiving their insurance bills, and certainly there's no question—it's stuck in the minds of the citizens of Ontario—over and over again we heard at all-candidates' meetings, all through the month of September, that Dalton McGuinty was going to lower your insurance rates by 20%. That was something that was mentioned over and over and over. I've got all kinds of quotes from the candidate I ran against. It will be very interesting to see when those bills all come together and we see all those people receive their statements coming in in January, February, March and April. We're just going to simply turn them back over to you. So we're

going to ask your government, we're going to ask Dalton McGuinty—they'll all be copied to his office to see what he's going to do about these large increases.

You think you've got it with this bill; unfortunately, I don't think you have. I think the problem is that it's very shallow; it's not getting to the point. Even if it only goes back 10%, that would be one good sign, but we don't think it will happen at all. It will end up being one more broken promise from the Dalton McGuinty platform. I hope, for the sake of individuals across our province, that doesn't happen, but given the direction that we see everything else happening that's rolling out as far as legislation and the statements we're hearing from the opposite side over here, I believe that people will receive extravagant hydro—well, hydro rates as well as insurance rates, over the next few months. We'll be expecting your government to fulfill their promises on that.

Mr Kormos: I'm particularly excited. I mean, I'm turned on. I've got to tell you why: because in but maybe four minutes' time I get to speak to this bill for, mind you, a modest, rather paltry 20 minutes, but I'm going to do my best.

I know. Look, here we are, it's after 10 o'clock, and folks who are watching this have lost the clicker, the little remote control for their TV, undoubtedly. I have no hesitation in suggesting that. Either that or they're mono-channelled televisions. To those people who have lost the little clicker, I say you get up and you flip that little panel and there's a button underneath there where you can turn the channel. You don't need the clicker to do it. You don't need batteries to do it.

Having said that, look, down where I come from, folks haven't seen any freeze. Down where I come from, good drivers are paying more and more. You see, the whole theory about insurance—and you talked, Speaker, when you were speaking as a member, about the first step to getting there, without telling us exactly where this government is going. I'm not sure this government knows where it's going with auto insurance. I mean, a freeze that isn't a freeze—we're going to talk about this section 6, this loophole. This isn't a Mack truck loophole; this is a Boeing 707 loophole. This is a Concorde jet loophole. This is a loophole so big you've got to hire Stephen Hawking to measure the size of it. This is a loophole that whole universes can pass through.

Look, let's not kid ourselves, and I suggested it the other day: Whether the Minister of Finance was sitting on George Cooke's lap while he gave dictation writing this bill or whether it was Mark Yakabuski doing the Edgar Bergen to Greg Sorbara's Charlie McCarthy, one way or another, at the end of the day the insurance industry's going to do just fine by this bill. You're going to screw consumers, drivers, innocent accident victims. Is that what Liberals promised when they ran for election?

The Acting Speaker (Ms Caroline Di Cocco): Response?

Mr Baird: I want to thank all the members for commenting.

I want to find out someday whether the member from Mississauga actually writes that drivel that he speaks or whether there is a Chrétien retread Liberal assistant in the back who writes it for him.

Mr Dunlop: Sounds like a Chrétien retread.

Mr Baird: It could be another Chrétien retread.

I told you I've nominated John Gerretsen for the promise-breakers club. We are looking at, because of our Prime Minister, retired—I shouldn't say it, but I will—a lifetime achievement award for the Liberal promise-breakers club, and it couldn't go any better.

Interjections.

Mr Baird: I'll tell you, I will put Brian Mulroney's integrity and honesty up against Jean Chrétien's any day of the week. Eight years, and you didn't know that, did you?

I read the standing orders, which say very clearly, section 23: "A member shall be brought to order if he charges another member with uttering a deliberate falsehood." Speaker, I'm not going to do that. Others would; they would look at people who say one thing and do another and they would call them a nasty word. They would call them liars. I won't do that, because it would be unparliamentary.

2210

The Acting Speaker: I ask the member to withdraw.

Mr Baird: I withdraw. Obviously I'm getting under their skin, because even the Toronto Star is saying, "Broken Promises Stalking New Premier." Even the Toronto Star agrees that this government is so bankrupt of integrity that it can't keep its promises, it can't keep its word. You can count on them 10 times out of 10 not to do that. This isn't the Conservative Party saying that. I dare say to you, Madam Speaker, that 99% of the people of Ontario would accept that premise.

The Acting Speaker: Further debate?

Mr Kormos: I've only got 20 minutes, but I'm going to do my best to stay on point. I know I'll have your guidance and assistance, and I want you to know that I cherish your support of me when I've got the floor and your interest in me staying on track.

The fact is that this bill has got nothing whatsoever to do with reducing auto insurance premiums. The fact is that the Liberals are making this stuff up as they go along; they're just trying to buy themselves some time. At the end of the day, this bill is literally going to result in higher premiums, a crisis in availability, and an overpopulation of Facility Association. We last saw that when David Peterson and the Liberals introduced no-fault auto insurance in this province as a result of a perverse promise made by then-Premier David Peterson during an election campaign that he, David Peterson, Liberal, had a very specific plan to reduce auto insurance premiums. Well, once that plan unfolded, we saw increased premiums, we saw a crisis in availability, we saw the overpopulation of Facility Association, and we saw the introduction of no-fault auto insurance, which has screwed drivers and innocent victims in the thousands year after year since then.

I'm not going to get involved in these games. I know that people have been throwing around unparliamentary language. I'm not going to stand up here and accuse the Premier of things.

I want to tell you, though, that when I was a kid, my grandmother did a whole lot of raising of me because both my parents worked. I remember one day she leaves a plate of varenyky on the kitchen table. She comes back and the varenyky is gone. She asked me what happened to the varenyky, and I said, "Baba, I have no idea." She said, "Peter, you're lying." I said, "Baba, I really don't know. I promise you, I never ate those varenyky." She said, "Peter, you're lying." I'm just a little kid. You see, what happened was, I didn't tell the truth. She was right; I was lying. I ate the varenyky. I couldn't control myself. You see, when you're a little kid and you don't tell the truth, you're a liar. But when you're a big kid and you become Premier and you don't tell the truth, well, far be it from me to use unparliamentary language. But I tell you this: If Diogenes were to enter the Liberal caucus room, it would be an eternity and he'd still be looking. The oil in the lamp would have been burnt so that there would be no flickering light left. The Diogenic search in the Liberal caucus room would be a feckless one. Why, Diogenes would be one sorely disappointed man were he to travel through the Liberal caucus room or indeed the Liberal benches right here, not to suggest that any of them have done anything—to identify it in such a crude way as common English would be an unparliamentary observation, but, by God, Diogenes, with that lamp, would be an old, old man, and he'd still be looking.

Far be it from me to suggest that anybody lied, but people draw the obvious inferences. You promise one thing; you do another. I know what they call that down where I come from, and they don't call it keeping the truth. To not tell the truth about what you're going to do: I know what they call it down where I come from.

The Acting Speaker: I would suggest that we get back on topic. I know you're testing us to the limits here tonight. I would ask that you go back to topic.

Mr Kormos: Thank you kindly, Speaker. I told you I value your guidance. And I want to tell you, Speaker, that I understand the role the Speaker has. I understand that's why the Deputy Speakers, Deputy Chairs and so on, earn the big bucks they do, because they have to exercise judgment like you've just exercised. They do it unilaterally. I think the salary for Deputy Speakers, Deputy Chairs and Chair of the committee of the whole House etc, is about \$10,000, \$11,000 or \$12,000 on top of the MPP salary, give or take a couple of cents.

Section 6: We talked about this the day of the introduction of the bill. Take a look at the incredibly low standard that's necessary for an insurance company to persuade the powers that be that they ought to be given yet even greater premium increases, to the mere satisfaction of—not a very high standard again. Down where I come from the folks know what that means. It means the fix is in. It's a done deal. It means a wink is as good as a nod. It means that this bill and the office of this bill,

as I say it—was it George Cooke? I don't know. Was it Mark Yakabuski? I don't know. But it certainly wasn't people who advocate on behalf of consumers.

It's interesting: The Consumers' Association of Canada, British Columbia division, has now become an ardent advocate and enthusiastic supporter of public auto insurance. Liberals in Alberta have embraced public auto insurance. Liberals down on the east coast, in places like New Brunswick and Nova Scotia, have embraced public auto insurance. It's only those three western regimes—Manitoba, Saskatchewan and British Columbia—that have got public, driver-owned, non-profit auto insurance systems that indeed ensure that every vehicle on the road is insured. One of my fears is that we've got anywhere from 10% to, my gosh, even 20% of vehicles on our highways with no insurance coverage whatsoever. Pretty dramatic stuff. Pretty scary stuff. And this government is doing nothing to remedy that.

Quite frankly, as insurance premiums increase and increase and increase, hard-pressed families and drivers in those families are going to feel increasingly compelled to drive without insurance and take the risk—the risk not only of, oh heck, being charged under the provincial statute or paying a huge fine or, I suppose, going to jail if you can't pay the fine, but the risk it poses for innocent victims. It's one thing to say, "Well, the victim is the holder of an auto insurance policy in his or her own right and can access their own." But what about the pedestrian who has no automobile and is struck down by an uninsured driver? What about the bicyclist with no automobile, and therefore no auto insurance policy of their own to access, struck down by an uninsured motor vehicle? This bill does nothing to address affordability. A temporary freeze when rates are already sky-high? Even after the bill was announced on October 23, premium increases continue to be whacked on to drivers across this province.

I talked to you already about this wonderful woman, Marjorie Hannah, who's worked hard all her life—I've known her all of my life down in Welland: a hard-working woman in her senior years, in her retirement now. A 1992 Chevy Cavalier—that's not a Cadillac or a Lincoln Continental; it's a modest compact car. She tells me she paid \$17,000 for it back in 2002. Here's a conscientious, law-abiding, cautious woman who, when an ambulance is screaming up behind her, in an effort to manoeuvre out of that ambulance's way, pulls to the left and has a collision with another car. It's called an accident. That's why she wasn't charged, notwithstanding a thorough police investigation by very competent police officers. It was an accident. And then she gets a notice just a few days ago that her premium has gone to \$4,616 and change—the car is only worth 17 Gs—and that came from Dominion of Canada. I told you already, Dominion of Canada—you know Dominion of Canada; the president of Dominion of Canada is one George Cooke. That's Cooke with an "e." Dominion of Canada, which quite frankly had, until now, one of the better reputations in terms of customer service and customer satisfaction,

rips off Marjorie Hannah to the tune of \$4,600 and change a year.

2220

Marjorie Hannah wrote to me. She said, "This is remarkable, because I heard some Liberal guys on television saying there was going to be a freeze." Ms Hannah says, "They never froze my premiums." By God, George Cooke and Dominion of Canada ripped her off, picked her pocket and continue to do so with this government as collaborators, this government as allies, this government as co-conspirators.

We were joking the other day about these guys driving the getaway car. The sadness of that joke is that the getaway car doesn't have insurance either, because even they can't afford coverage.

I don't ask Ms Hannah whom she votes for, and I wouldn't expect her to tell me. I'm not sure she voted for the Liberal candidate. I'm not sure, OK? I'm just not sure. But all she knows is, whether she voted for the Liberals or not, she figured she should be capable of believing some of the fundamental things that Liberals promised to get elected. They promised to freeze auto insurance premiums. Ms Hannah says, "Uh-uh, sorry. Mine weren't frozen." Ms Hannah feels like the victim of a robbery.

Some of the other speakers today blame innocent victims for the insurance companies' plight. Look, this is a greedy industry, and it's an industry that is, if you will, the renegade, the uncouth cousin of the financial services sector. The auto insurance industry has always said it has lost money. Gosh, for the 10, 20, 30 years now that I've been on to this matter, the auto insurance industry has been saying it has been losing money. Yet they fight like the devil when there's ever a risk of them losing control over what, I tell you, at the end of the day obviously must be a significantly profitable venture for them.

Then I hear the crap that they spout through their spokespeople when I'm on the talking head shows with them. First they say, "Oh my goodness, we lost money on the stock market." Well, I can't help it if you doughheads bought Nortel at 50 bucks on the way down. You call that prudent? Jeez, give me a break. Then they say, "No, it isn't the stock market losses after all, because after all, we don't invest money in that kind of stock." Oh, hooley. Horsefeathers, as I'm prone to say.

Then they say, "Oh well, it's because of all the fraud being committed by people who aren't really injured." I heard that repeated by a speaker from the Conservative caucus who, you've got to understand, as I recall it, used to act for the insurance companies in these little litigation things, not for innocent accident victims. He wasn't the good guy; he acted for the insurance companies. You know why you do that? You do it for money. You don't do it for principle, when you're acting for auto insurance companies; you do it because they pay you well and because they'll hire lawyers and pay them as much as they have to, to grind innocent victims, as plaintiffs, into the dirt and get them to abandon their claims.

This isn't rocket science, like that guy on the TV cooking show says. How do auto insurance companies make money? By charging the highest possible premiums and paying out the lowest amount of benefits. It's not complicated. You don't need an MBA to figure that out; you don't even have to be very clever. How do auto insurance companies make money? By charging the highest possible premiums and paying out the lowest possible benefits.

Again, I hear, "The for-profit auto insurance industry isn't making any money." Then how come they fight tooth and nail whenever there's even a less-than-realistic threat of there being a movement to develop a public auto insurance scheme? I find that truly remarkable. And why do we have section 6, this black hole of a loophole? It's precisely to accommodate to private sector, for-profit auto insurance industry, because section 6 sets out two conditions when, and I paraphrase, the financial circumstances of the company to the satisfaction of the superintendent result in justification for a request for an increase in premiums and/or public interest. Public interest: What does that mean? When there's a threat or a risk of a crisis in availability. We've already seen two major insurers pull out of the New Brunswick market as a result of a so-called freeze. They said, "Fine, we're going south. We simply won't write policies in this jurisdiction any more." That's what we saw with David Peterson.

The insurance industry won't write policies for those classes of insurers that they don't consider worthwhile for them to insure. They'll either be successful at getting even higher premium increases—and don't forget we're looking at 20%, 30%, 40%, 50% increases, not just one year but two, three and four years in a row. We're talking about people like Ms Hannah being abused by the private, for-profit auto insurance industry. Shame on them. The woman has been driving all her life, paying insurance premiums all of her life, and the Dominion of Canada and George Cooke want to make profits on her back when she's an elderly woman trying to struggle and cope with a pension and driving the most modest of cars. I don't know about you, but I suspect that George Cooke isn't tooling around in a 1992 Chevy Cavalier with fabric upholstery and plastic panels on the doors.

Blaming fraud: Please, where's the evidence? If there were all this fraud, one would expect to see all these prosecutions for fraud. People have told me that constitutes a criminal offence. I haven't seen any evidence of that. The fraud is the fraud being perpetrated on consumers by the auto insurance industry and by their friends in government, by their new allies, by their little puppet regime here at Queen's Park that wants to do the bidding of the private, for-profit auto insurance sector. It says, "You're on your own, guys," to drivers. It says, "Hasta la vista," to innocent victims. It says, "You will be victimized over and over again, first by your auto insurance company and then by a government that is committed to increased profits for the auto insurance industry and reduced benefits for innocent victims."

That's the second shoe that's going to drop. We've already seen part and parcel of it from the Tories, when they reduced benefits packages as a sop to the private, for-profit auto insurance industry. I heard the critic of the day as he travelled the province consulting, as he says, make similar promises, as a matter of fact at a tripartite event we were at in Hamilton just a week or so before the election. This government is no friend of drivers. This government is no friend of innocent victims. This government said anything it had to in order to get elected, and it did. This government is prepared to break any promise it made, knowing full well that it, in its passion to acquire power, was prepared to trample all over drivers and innocent accident victims.

2230

So you see, the Liberals may feel fine bedding down with the private, for-profit auto insurance industry. The Liberals, Mr McGuinty, Fibber McGuinty—

Hon Dwight Duncan (Minister of Energy, Government House Leader): On a point of order, Madam Speaker: That term has been ruled out of order earlier tonight. I believe it should be withdrawn.

Mr Kormos: Withdraw.

Hon Mr Duncan: I didn't hear "withdraw."

Mr Kormos: Let's go. We've only got 30 minutes; 29 now.

The Acting Speaker: I'll just ask you to withdraw.

Hon Mr Duncan: On a point of order, Madam Speaker: Again I was unable to hear "withdraw." I think that according to the standing orders, "withdraw" has to be very clear. It has to be expressed. Certainly there was no remorse shown in that "withdraw," given that the rules have been abandoned here wilfully—

The Acting Speaker: That is not a point of order.

Hon Mr Duncan: —by a member who is exploiting the rules for his own purpose. I would suggest that the term should be properly withdrawn.

The Acting Speaker: If I could ask, could 20 seconds be put back on the clock.

Mr Kormos: Thank you kindly, Speaker. I appreciate your indulgence of me.

Here we are. I should have let you know that New Democrats aren't going to be supporting the bill. We're going to be voting against it. It'll be interesting to see what happens in committee, if this bill ever gets to committee. Is this bill going to travel the province? Is this part of a democratic reform agenda of consultation? That remains to be seen. We're looking forward to it a whole lot.

The Acting Speaker: Questions and comments?

Mr John Wilkinson (Perth-Middlesex): I represent the riding of Perth-Middlesex, the home of the Stratford Festival. Though we have a plethora of wonderful actors and actresses, I must admit that if electoral success ever fails the member for Niagara Centre, there will always be a place for you in Stratford. I'll put in a good word for the member.

I think the problem we have, and that we are dealing with as a government, has to do with a lack of regulation.

We've had eight years of a previous government that looked the other way while the insurance industry was able to do what it wanted. There was never a rate increase that was ever denied. The Financial Services Commission of Ontario, the regulatory body, had no place for a consumer—hard to believe.

When I was with the member who is now the Minister of Health, when he was doing his consultations on this issue, I remember that we met a physiotherapist from Kincardine. She told us about the designated assessment centres. She felt there was a problem and she used the example of a patient of hers who had had a shoulder injury. That shoulder injury meant that she needed to have a front-closing bra. She had to go to a designated assessment centre, and it cost \$2,500 for the insurance industry to agree that she would have a front-closing bra. How many front-closing bras can you buy for \$2,500?

No wonder our premiums are going through the roof. That is why this government is going to put an end to those types of practices where consumers are being ripped off. That's why my and I colleagues will be supporting the bill.

Mr Prue: It is always a pleasure to listen to my colleague Peter Kormos. Not only is he an excellent actor; he always has this kernel, this germ of truth. He can reach back to his boyhood to tell about how his baba caught him stealing the cookies.

Mr Kormos: She called me a liar.

Mr Prue: Oh, no, I'm not going to say that word in here.

Mr Kormos: I did. I lied to her. That's what happens when you lie, and I lied.

Mr Prue: You did; you did.

What he had to say I think we all need to hear again: The insurance companies are really starting to rip people off. It is not just here in Ontario. Elections were fought and lost in Nova Scotia, New Brunswick and Prince Edward Island on this same issue. It is not just fraud. It is an insurance company that cannot or will not make sufficient amounts of money playing by the rules of yesteryear. I don't see anything here about changing those rules. All that is being debated here, sadly, is that you are going to freeze the rates of an industry that has set them exorbitantly high. Even backbench members of the government party are talking about poor, innocent drivers paying \$9,000 a year to ensure their vehicle so that they can go to work in Mississauga West. Even the government members are talking about the impossibility of the poor consumers who are now going to be frozen for 90 days. Just like Pierre Trudeau: Zap, you're frozen. Well, this is the same thing: Zap, you're frozen at \$9,000; zap, you're frozen at a 50% increase you just got in the mail yesterday; zap, you're frozen on a 125% increase that you got last year before you were about to renew.

I will tell you that they are freezing at the higher rates, but they are not helping anything about the benefits. The previous government cut benefits; there's nothing in your legislation or even in your promise to bring those back. You talked, too, about the boogeyman and about the job

loss. The reality is, this is a bloated industry that is out there trying to protect themselves and their own business and their own profits and their own future in making exorbitant monies on the backs of consumers. That's what needs to be dealt with, not a rate freeze.

Mr Brad Duguid (Scarborough Centre): I listened carefully to the member from Niagara Centre and his comments, and they were entertaining. However, they were, I think, very much lacking in substance. I think the member was trying to rewrite our campaign commitment. I don't blame him for trying to rewrite history, because when you look at the history of the NDP on this issue, I'd be trying to rewrite history as well.

Our campaign commitment was clear. We said we were going to freeze auto insurance rates with this bill; that's what we're doing. We said we were going to bring down rates by 10%, and this bill is the first step for us to get there. We did say that we would work toward a further 10% decrease, and we will work toward a further 10% decrease. Our commitment was clear, no matter how much the members opposite try to rewrite that commitment.

I think the member for Niagara Centre indicates, like the NDP tend to do on this issue, that they have all the answers, but this is a member who was in a government that in 1990 promised, when they got elected, to bring in public auto insurance rates.

Hon Mr Duncan: What did they do?

Mr Duguid: What did they do? They reneged. What did their leader do? What did the leader of the third party do when he was in that government? Absolutely nothing to deal with auto insurance rates.

When you look at what they've done as well, the government-funded study that was done at the time said that public auto insurance would cost over \$1 billion to implement. Is that mentioned in the member's speech? No, that was ignored.

I should also mention that the Premier of that government at the time said: "It will cost too much money. It will cost too many jobs."

With 20 seconds left before my time ends here, I want to say one thing that happened in 1990 in my riding. State Farm was about to set up a big office building in Scarborough Centre, right on the 401; the minute that NDP government got elected, the project was killed and we haven't seen an office building there since.

Mr Dunlop: I just wanted to say a few words about the comments the member from Niagara Centre made a few moments ago.

I hear some people criticizing the member. I have to admit he's one of the most colourful members in this House. I can tell you one thing: As long as he decides to run in the seat in Niagara Centre, there won't be any Liberal winner. Let's get that straight right off the bat. You all know that. No Liberal could ever win his seat; no Tory could win his seat. That's how colourful he is and that's how well-respected he is in his own community. So I'm just telling you that up front. I have a great deal of respect for him.

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There are some comments floating back and forth about what the NDP didn't do. But I can tell you that if they use the same excuses you have used in the last week on this inherited deficit, this joke deficit that this professional auditor brought in, then he has a lot to speak for, because they inherited a \$3.5-billion deficit from you folks. That's straight off the bat. Maybe that's why they didn't get their auto insurance put forward.

Interjections.

Mr Dunlop: I know you don't like hearing these sorts of comments, but David Peterson left the NDP a deficit, plain and simple. I don't know if they did what has happened in the last week in this House, but we've heard for, I guess it's about five question periods, that the so-called Premier has yet to answer a question. He has yet to answer a question in this House. I just want to make it very clear. Over and over again he's been asked questions and he has yet to answer a question in this House. I think that's really unfortunate. I know that the media is slowly catching on to it, but today, of all the questions that were asked in the House, there were no questions actually answered by Dalton McGuinty.

The Acting Speaker: I would ask members to refer to each other by their riding.

In response, the member from Niagara Centre.

Mr Kormos: I would ask members to address their comments to the Speaker. That way we'll avoid this sort of exchange on the floor and the lack of decorum and order that flows from it. This is disturbing, and I'm disappointed in the whole gang of you for not showing more regard for this august chamber. The problem is that if these guys want to beat public auto insurance, let's have that debate.

I recall a government in the early 1990s that did some darn good stuff and didn't keep all of its promises. I also recall members of that government who were prepared to stand up and speak out, and who, rather than the sheep-like obedience to their party whip and House leader, said, "Yup, when a promise is broken it is wrong."

I regret that I've seen this Stalinist rewriting and revisionism of history, but the last month as we see Liberals denying what was said on the campaign trail and an attempt to cover their tracks since their election, as we've seen Liberals breaking promise after promise: Oak Ridges moraine, hydro caps, classroom sizes—now we've got the \$4 billion in savings that Mr McGuinty, Fibber, says he's got to find. You know where you've got to go to save \$4 billion the same way the Tories had to go? You've got to go to the big-ticket items. You want to slash billions of bucks? You've got to go to the big-ticket items: health and education.

So long, Mordechai Rozanski, it's been good to know you. We appreciate your comments, but they mean zip to this government. So long, Mr Romanow, it's been good to know you. We know that when we've got to slash \$4 billion, we're not going to be giving more money to health care; we're going to keep taking more money

away from it. We're not going to be giving more to education; we're going to be taking more from it.

These guys are hacking and slashing—

The Acting Speaker: The member's time is up.

Further debate?

Mrs Liz Sandals (Guelph-Wellington): We've heard a lot tonight from the member from Niagara Centre and the junior member from Nepean, who seems to have disappeared, about whether or not our party has kept promises. I think it's worth spending some time looking at whether our Liberal government has kept its promises.

Just today we addressed an issue that has been a big issue in my area of Guelph-Wellington, which is hiring full-time meat inspectors to make sure that we have a safe meat supply. We kept our promise. That has been a big concern in my riding, which has the Ministry of Agriculture and Food headquarters and where there has been a lot of concern about deterioration in the meat inspection system. We kept our promise.

We kept another promise today. We kept our promise to raise the minimum wage. That has been a big issue in my riding as well.

Interjections.

The Acting Speaker: Will the member take her seat, please.

I ask members on all sides of the House: There's a lot of yelling going back and forth. If there are discussions that you wish to have with one another, I'm sure that you can do that outside this chamber or at least do it a little more discreetly so that we can hear the member from Guelph-Wellington.

Mrs Sandals: Thank you, Speaker. In my riding, when we talk about people who cannot find affordable housing, when we talk about people who are struggling, for the most part, it's the working poor. Today we kept our promise to raise the minimum wage; we are going to help the working poor.

We kept our promise to roll back Tory tax cuts; we kept our promise to get rid of corporate tax cuts that are not sustainable in an economy where we find out we have a \$5.6-billion deficit. I don't know where these folks were, but I campaigned on that, and when I campaigned on that, people said, "Yes, we understand that we need to be competitive, but we don't need to do what the Tory government has done. We don't have to keep giving out tax cuts which our province cannot afford."

We're here, and we kept our promise to roll back the private school tax credit. I certainly campaigned on that, and we kept our promise.

We kept our promise to get rid of the education property tax credit for seniors. I campaigned on that promise; we have kept that promise. Everything in our tax bill is a promise made, a promise kept.

We've also talked for years about a public inquiry into the fiasco at Ipperwash. We kept that promise, another campaign promise that our government has kept.

One of the things that we discovered in the midst of the campaign was that the Conservative government had a plan in their wide-eyed scheme to privatize public

services. They planned to privatize the nuclear inspection services of Ontario Power Generation. We found out about that. We said, "We're going to cancel that privatization. We're not going to sell the nuclear inspection services; we're going to keep them in public hands where they'll be safe. I campaigned on that promise; we kept that promise—one more promise kept."

We said—and this was very important to me with my background as a public school trustee—that we would create a ministry devoted to children's services. We campaigned on that and we kept that promise. We are in the process of keeping that promise and setting up a very exciting ministry to take care of the children of our province.

We also said that we would get rid of the supervisors in the Hamilton board, in the Toronto board, in the Ottawa board. Do you know what we did?

Mr Ted McMeekin (Ancaster-Dundas-Flamborough-Aldershot): What did we do?

Mrs Sandals: We campaigned on that promise and we kept that promise—another one. Do you know something else we did?

Mr McMeekin: Promise-keepers.

Mrs Sandals: Promise-keepers.

During the summer, we heard from a lot of people that they were getting insurance renewals, that they were getting insurance bills that were just totally unaffordable. Door after door after door, people would say, "My insurance bill has gone up hundreds, thousands of dollars."

I heard from people who said, "You know, I can't get insurance any more. I've talked to my broker and they said I've been cut off. I can't figure out why I've been cut off. I seem to have a fairly clean record. I haven't had an accident. I can't figure out why I can't get insurance."

In fact, we've heard from so many people that the member from Rosedale was asked to travel the province. He went to 17 cities and he talked to regular consumers, he talked to the man on the street; he talked to some people in the insurance industry, and we said, "Do you know something? When we are elected, we are going to do something to fix that promise." Do you know what we did? We campaigned on that promise and we kept that promise. We have started with the first step in that promise; with the introduction of this bill, we have introduced an insurance freeze.

In fact, we promised that the day that we took office that we would introduce an insurance freeze. We did that. On October 23 the Liberal government was sworn in, and on October 23 the Finance Minister of our new government said to the insurance industry, "We want you to freeze your rates today." And now that we are in the House, we have tabled a bill to freeze insurance rates.

2250

Now, there has been some confusion about that, because people are looking at the bill that they got, if they've gotten a bill this month, since the freeze was introduced. They're looking at the bill they got this november and are comparing it to the bill that they got last November. And you know, they're right. They've

called my office and said, "What's going on, Liz? Why has my bill gone up?" The reason people's bills have gone up is because the Conservative government approved a rate increase. Sometime between last November and October 23, the Conservative government approved a rate increase. But since October 23 of this fall, there have been no more rate increases approved. But that's just the first step. The next step, just as we promised—we said that 90 days after we introduce a freeze, we are going to have a rate reduction, and starting January 23, insurance companies will be required to file a new rate structure. That new rate structure, when it is filed, starting January 23, won't just be frozen, it will have a decrease—a decrease, on average, of 10%.

What are we doing in the interim? We're consulting in two ways. The parliamentary assistant will be speaking to stakeholders from around the province. The parliamentary assistant will be speaking to consumers, to the insurance industry, to brokers, to health care professionals who take care of people who are accident victims, to all the players—consumers and players in the insurance industry and providers of health care. We will be consulting with them and we will be saying, "We need to help you control costs." We understand that if we're going to introduce a 10% rate cut, we have to find ways to cut costs.

That isn't the only consultation that will take place. We will also be sending this bill to committee, I believe. We will have a legislative committee looking at possible—something that often didn't happen with the Conservatives. There were so many bills—I was in on some of them—that went right through this House on a time allocation motion with no consultation with the committee. We will be consulting through the PA travelling the province but also with the legislative committee. We understand that if we're going to put rate cuts in place, we need to think about it carefully and figure out how we can help the insurance industry to help Ontario consumers have a rate cut averaging 10%.

We've heard a lot about everybody else's record tonight. I think we want to look at some other records here. What about the Conservative government's record? Back in 2001, the Insurance Bureau of Canada warned the Conservative government that costs in the system were about to go out of control. Did the Conservative government pay any attention to that warning? No, they didn't. They ignored that warning. And what happened when they ignored that warning? Rates skyrocketed right through the ceiling: fourth quarter of 2002, a 9.2% increase in rates; first quarter of 2003, a 7.3% increase in rates; second quarter of 2003, an 8.5% increase in rates; third quarter of 2003, an 8.2% increase. No wonder we're hearing from frustrated consumers. The rates have gone right through the roof.

The Conservatives will tell you they had this great plan to improve costs. Let me tell you what Mark Yakabuski, the Ontario vice-president of the Insurance Bureau of Canada, said about the Conservative plan. He said the auto insurance measures put in place by the

previous government—that would be the Conservatives—were nowhere near enough to support an average 10% reduction in premiums. That's why we need to consult with people around the province, so we can put in place measures to make sure we can have a 10% cut that works.

Mr Dunlop: Blame the Tories for insurance.

Mrs Sandals: Actually my friend from Simcoe North has a point. We shouldn't totally blame the Tories for the insurance mess. We need to look at the NDP record, because the NDP are part of this story as well. When the NDP campaigned in 1990, they said they were going to bring in public auto insurance. Then guess what happened when they were elected? They looked at it and said, "No, we're not going to do public insurance." Do you know why Bob Rae said they wouldn't do public auto insurance? He said it was because it would cost too much money and it would cost too many jobs.

Now, Howard Hampton admitted during the campaign we had just had, the 2003 campaign, that implementing public auto insurance would cost 5,000 jobs. He called that a relatively small number of jobs. Well, let me tell you that in my riding, losing 5,000 jobs in the insurance industry makes a big dent. One of the chief employers in my riding is The Co-operators, a Canadian insurance company that doesn't want to flee the country. They don't want to run away. Their headquarters are in my riding. They don't want an unsustainable scheme, because they're an Ontario company, a Canadian company, and they want to stay in Ontario. If the NDP were to get their way, my riding would have an unemployment problem.

I also meet this week with a group representing the mutual insurance companies. There are dozens of little mutual insurance companies in rural areas of this province—local, Ontario, Canadian insurance companies; local employers in small rural communities—and we want those people to be able to stay in business as well.

You know, when I was knocking on doors one night I knocked on a door—it was getting late—and it turned out that the chap was involved in the insurance industry. He said that fraud is a problem. He said, "Do you know I've had situations where I've had videotape of a consumer who was trying to rip off the insurance company." Sometimes that happens. He said, "Do you know that when I took that video evidence to the designated assessment centre, it was rejected. The person's claim was allowed." Who do you think set up the designated assessment centre? The NDP. So my friend from Simcoe North actually has a point. This mess is not entirely the fault of the Conservative government; the NDP government bears some responsibility as well.

If we are going to get this problem under control, if we are going to give the consumers of this province a break and if we are going to maintain our homegrown insurance industry, we need to have a moderate approach.

2300

We are determined that we will get a 10% cut for consumers on average, but we are determined that we are not going to wipe out the insurance industry. We are not going to wipe out 5,000 jobs in Ontario, by Mr Hampton's estimate. Liberals believe that moderation is actually an important thing and that we need to have a balanced approach. We need to make sure we take care of the consumers of Ontario, but at the same time we don't want to bankrupt business. That is why we are going to consult all over the province, speak with the people who are involved—consumers and insurance industry stakeholders—and make sure we come up with a viable plan. But this bill gives us step number one, and step number one is stopping any further increases in the rate structure.

We are implementing a freeze, and if this bill is passed, any insurance company that violates the freeze is subject to prosecution. They in fact could lose their licence to operate in Ontario. We are absolutely determined that our freeze will be effective; we are absolutely determined that we will have an effective insurance control program that delivers to the consumers of Ontario a cut in insurance rates. So we have managed to keep our promises.

Ms Smith: Another promise kept.

Mrs Sandals: Another promise kept.

We are keeping our promises in the area of creating a Ministry of Children's Services and removing supervisors from school boards.

Another promise that means a great deal to the people of my town, where the University of Guelph is located, is to freeze university tuition. Once again we will be helping the consumer, in this case the student consumer. That's another group that has been affected dramatically by insurance rate increases that my colleagues on either side in the opposition here failed to control.

Students, because they're under 25, get whacked with the biggest increases. We are going to help the students in two ways: We are going to control their tuition fees, and we are also going to control the insurance rates they're charged and make sure that in Ontario we listen to our constituents, we listen to consumers and we make sure we help those constituents who elected us by keeping our promises and delivering to the people of Ontario the election campaign that I campaigned on and that my colleagues campaigned on. We will deliver on our promises to the people of Ontario.

The Acting Speaker: Questions and comments?

Mr Dunlop: I'm pleased to rise again this evening to make a few comments to the member from Guelph-Wellington. I appreciate what she said tonight, and I'm looking forward to all these kept promises.

My understanding is, from the election campaign, the candidate who ran against me said that after the election they would freeze rates for 70 days, and at the end of 70 days, there would be a 20% decrease in rates. That was said over and over again during my campaign. Now I

understand it's at 10%. I'm not sure exactly what it will be.

I'm looking forward to what happens over the course of winter with your standing committee tour of the province. I hope you're going to extend that throughout the province, maybe spend two or three weeks and have a lot of good input on it. We're back here in March, and we'll see exactly how it turns out. I'd be really interested to look at the insurance rates and how many companies are fined between March 22, when we get back here, and when the House adjourns sometime between June and July. I look forward to those days, and again, I hope it works out for you, because I don't want to see people continue to see these large increases.

We heard a little earlier one of the other members—I think it was the member from Perth-Middlesex—mention that we hadn't done anything in eight years. That's completely false. It's only been in late 2002 and 2003 when we've seen the increases take off, largely. Up until that point, the prices remained very consistent. There was just a slight increase, just above the rate of inflation, for about six years. So this is something that wasn't continually happening over eight years, and you should know that. I can go by my own insurance bills and dig them out if you want.

Anyway, thank you for your comments.

The Acting Speaker: The Chair feels a little neglected. I would ask the members to remember that you address your remarks through the Chair.

Mr Prue: I will address my remarks, as always, through the Chair.

I have to commend the previous speaker for at least one thing, and that is for finally stating that this government is going to take this bill to committee and, I hope, travel throughout Ontario, listening particularly not so much to the insurance industry, not to their high-priced lawyers, not to their actuaries, not to the people who are making, I would think, a fairly good living on all that, but speaking to the consumers of this province, the people who are paying bloated bills and who have continued to pay bloated bills for rather shoddy service all these years.

Perhaps while she's doing that, she will discover as well that the bureaucracy of the privatized companies is enormous in this province. Although there are people who earn their living this way, and we are always thankful that people can earn their living, the sad fact of the matter is that because the bureaucracy is so bloated in these privatized companies, in Ontario it costs an average of \$478 to process each claim. In a place like British Columbia, it only costs \$359 when civil servants do it. Perhaps she can learn that as well.

That would take me back to what is happening in all these provinces, because much was said about privatized versus public auto insurance.

In Manitoba this year, costs only went up 7.2%. In British Columbia they went up 7.3%, and in Saskatchewan they went up 9.5%. When you contrast that to Ontario at 29%, perhaps, just maybe, the idea of public

auto insurance is a good idea. Whatever happened in 1991 with Bob Rae, I can only tell you he made a mistake and it needs to be rectified.

Mr Kuldip Kular (Bramalea-Gore-Malton-Springdale): As I rise before the House for the first time, I want to thank the residents of my riding of Bramalea-Gore-Malton-Springdale for giving me the privilege to serve them.

Talking about our auto insurance bill, the previous government did almost nothing to address the auto insurance premiums for the past eight years. The auto insurance premiums went up between 20% and 40% under the Progressive Conservative rule.

One of Dalton McGuinty's commitments to the people of Ontario has been to put a halt to the rising cost of auto insurance premiums. As my colleague from Guelph-Wellington has stated, if the bill is passed, we will in this way continue to work toward a long-term solution of lowering premiums for auto insurance. It will improve the protection for the consumer. That's what we promised and that's what we will deliver.

The Acting Speaker: The member for Guelph-Wellington has two minutes.

2310

Mrs Sandals: Thank you, Mr Speaker, and thank you to the members from Simcoe North, Beaches-East York and Bramalea-Gore-Malton-Springdale for their comments.

The member for Simcoe North speculated about, when we come back in March, how many insurance companies will have been fined. I would hope the number will be zero, because we fully expect that the insurance industry will co-operate with our rate freeze. However, if that is not the case, then we will not hesitate to deal with the situation. But I certainly hope the number will be zero. We always appreciate voluntary compliance rather than forced compliance.

The member for Beaches-East York talked about the cost of processing claims. In fact, the cost of processing claims is one of the items that really concerns us in the this whole business of controlling the cost of auto insurance. One of the big drivers in the cost of processing claims is the cost of the work of designated assessment centres. That is one of the issues that we plan to address: How do we control the costs being driven up by the designated assessment centres which the NDP created during the Rae government? We intend to address the cost of processing claims.

Thank you very much to my colleague from Bramalea-Gore-Malton-Springdale. Congratulations on your first speaking in the House. He is perfectly correct in pointing out that with a 20% to 40% increase in rates over the last few years, it is going to take us a few months to work out a long-term solution. When things are that much of a mess, it takes a while to work it out.

The Acting Speaker: Further debate?

Mr Frank Klees (Oak Ridges): I'm pleased to join the debate on Bill 5. We've had a lot of discussion over the last few hours on this bill. I'd like to return to a theme

that was touched on by a number of the speakers, and that relates to the issue of what this bill does not do.

I found it interesting that my friend the member for Brant spoke passionately in one of his responses to debate in which he referred to individuals—a family, if I recall correctly—who own a business in his riding, and that because of skyrocketing insurance rates, there's a very real and imminent danger that they will go out of business. The implication, of course, and the debate was that this bill, Bill 5, that's being put forward by the government today will somehow solve that problem.

The reality is, of course, it doesn't do a thing for people in this province who are in business. The title of the bill, if members don't even get past the title of the bill, makes it very clear. For members of the government benches who perhaps haven't had an opportunity yet to familiarize themselves with the legislation, I'd like to read it to them: An Act to temporarily freeze automobile insurance rates—here's the operative word, folks—for private passenger vehicles and to provide for the review and regulation of risk classification systems and automobile insurance rates—again, repeated twice in the title of the bill—for private passenger vehicles.

I don't know about you, but I can tell you that people in this province who own small or medium-sized businesses have serious concerns about how they're going to deal with the mounting car insurance premiums that they have, whether it's for the vans they use in their business or whether it's a fleet of automobiles. These people feel left out. Somehow, this government feels they can actually represent to the people in this province that they have met their obligations under the terms of their promises to reduce, to roll back automobile insurance rates. Somehow they perhaps thought that they could slip this by the people of Ontario and, at the end of the day, get accolades for what they are presenting to us here today. It's simply not going to happen. Not only is this bill not coming across on a promise—again, an election promise made by Mr McGuinty who was campaigning as the leader of the Liberal Party, now the Premier—not only is this again one more broken promise on the part of the Liberal Party, the now new government, but it actually goes beyond that.

The fact of the matter is that not only does this bill not do anything to reduce premiums, but the way it was introduced, the way the bill ignores all of the initiative that was taken previously by our government, and the work that was done by the insurance industry, it actually stops in its tracks the rate reductions that were scheduled to come in effective December 1 for people in this province. I don't know how this government justifies that. They're saying, "No, we'll put the brakes on the work that's been done. Sorry, Mr and Mrs passenger vehicle owner, you will not get your rate reduction, because it was the Conservative government that drove that agenda and that would have delivered that."

So, as a result, we have now a bill that freezes rates in their current state with the increases. As was mentioned a number of times in debate tonight, people are stuck with

those increases, and we're told that perhaps there will be a 10% rate reduction.

The member opposite indicated, "Was it voluntary?" Well, let me tell you what is going to be voluntary here in what you're proposing. Your parliamentary assistant, Mr Colle, is going to travel the province and that's good. He's going to consult with stakeholders and that's good. However, at the end of the day, there is nothing in this bill and we have no assurances from this government that when Mr Colle is done with his consultation there will be any rate reduction.

I found it interesting that the member from Guelph-Wellington made the statement in her debate that they will anticipate that there will be a voluntary co-operation on the part of the insurance industry to save face for Mr McGuinty and for this government, that they will somehow gratuitously co-operate with this process and reduce rates. Ah, but if they don't, I hear from the member, they will be brought into compliance. Well, isn't that interesting?

A new page has been turned in the province, that a private sector company, a private sector industry that bases its rates on actuarial calculations, on actuarial numbers, all of a sudden is going to be coerced by the government of the day to come into compliance. What will be very interesting is to see how that industry then subsequently responds to that. We'll have very interesting results. We'll be watching carefully to see how Mr Colle does over the next number of months as he goes through this process of engaging the insurance industry. I'm sure that he'll bring a great deal of knowledge to that exercise. We'll just have to see.

2320

One area that hasn't been touched on—and I'm surprised that the government hasn't referred to it—is the role of collision repair in the entire rate structure. We hear a great deal from consumers about the problems they face in the collision repair industry: the fact that one rate is quoted for repairs if it's covered by insurance; however, if it's not damage that's going to be paid for by an insurance company, often you get another rate.

Then there's the issue of the different rates that you get, depending on the collision repair facility that you go to for a quote. There is a private member's bill—and I believe, Speaker, you supported that bill when it was before the House in the last session of the Legislature as well—it's called the Collision Repair Standards Act. What that legislation does is address a very important component that contributes to the cost of insurance, and that is collision repair.

There has been, and is no, standard for the collision repair industry in Ontario today. As a result of that, there is a great deal of concern within the industry itself that those standards that should be adhered to by various collision repair shops are not being adhered to.

Mr McMeekin: Did that die?

Mr Klees: No, it didn't die, actually. That bill was passed unanimously by the House. It passed third reading in this Legislature. It's waiting to be proclaimed. The fact

of the matter is that we were about to proclaim it. I would challenge the current Minister of Consumer and Business Services to look at that legislation, which was not a partisan bill. It was a bill that was passed unanimously in this House, all-party support. I really do believe that that is an area that could have an immediate impact on the cost of insurance in this province.

The proposal we make to you is that we will work with you to implement that. We have a number of stakeholders who are ready, willing and able to come to the table with the government of the day to ensure that the provisions of that bill are implemented. This is not theory. A great deal of work has gone into that. The collision repair industry contributed some two years of time. Consultations were conducted across the province. There was overwhelming support by the repair industry to implement standards for collision repair in this province.

I would trust that rather than going forward with an empty framework—which is what we have in Bill 5—this government would seriously consider putting in place some initiatives that would begin to deal, in a very real and practical way, with this issue.

Speaker, I'd like to read to you from a letter that I received—I think you did as well; I'm sure all members of the Legislature did. It comes from the Insurance Bureau of Canada, addressing the issue of auto insurance. It comes from Mr Mark Yakabuski, who may be known to my colleague Mr John Yakabuski. He spells the name exactly the same, may even be his brother. I want to just take a moment here and read one paragraph of this letter:

"Our proposals"—these are proposals that the Insurance Bureau of Canada has made to the government—"will help control the sharp escalation in rehabilitation health care and lawsuit costs that have been driving premiums up in the past two years. We have designed our ideas to achieve savings in these areas without compromising the benefits available to accident victims."

Mr Yakabuski goes on to speak to the co-operative role that insurance companies are willing to play with the government to ensure that the proper measures are taken to deal with the insurance challenges that we have in this province.

He mentions lawsuits, and this again is an area that I believe we have to address in this province. It's one thing to say that we have the right to sue; it's yet another to ensure that whatever awards are made in the province are reasonable under the circumstances. We all know and have heard of lawsuits that are in the millions of dollars. When you consider that one lawsuit alone can result in a significant impact on the stability, the financial resources, of any one company, all of us as policyholders have to pay for those, and so is it reasonable for limitations to be placed on the kind of lawsuit awards that can be made? I believe and we believe that it is reasonable. Those are issues that this government surely should be giving consideration to as they conduct their research.

In closing, I want to address another issue that relates to the overall insurance issue in our province. We have

come to the point where people have very little trust in the insurance industry and they have very little trust in government. We have calls on the one hand for the entire insurance industry to be replaced by government-owned insurance. On the other hand, we have an insurance industry that quite often doesn't meet the needs of the insured in this province.

The question was asked earlier, what is the role of government here? It's clear that government has a responsibility to set the framework within which the industry conducts its business. There has to be accountability here. There has to be a way to set the framework within which an industry that is providing a public service—one, by the way, that is mandated; it's not something that you or I can choose not to have, and rightfully so. Given the fact that it's mandatory to have insurance, it is also then the responsibility of the same government that puts in place the regulation that makes it mandatory to have insurance in place that the insurance industry is accountable and responsible to its policy-holders.

My question to this government as you go forward to do your consulting is, what is your end goal? If in fact it is to reduce premiums, how will you bring the insurance industry into compliance to do that? We will wait to see just how you can keep your promise, Mr McGuinty, to reduce auto insurance premiums by 20% when you do not have the levers to do that. We will watch very carefully to see whether or not one more promise is broken by this government. We believe it will be broken, because there is no way this government will be able to keep its promises to the people of this province based on the commitments they have made.

2330

I leave the recommendation with the minister. I call on the Minister of Consumer and Business Services particularly to become engaged in this debate. Don't just leave it to the Minister of Finance to deal with this issue. The Minister of Consumer and Business Services has, I believe, an important role to play by moving forward and advocating particularly for proclamation and implementation of the Collision Repair Standards Act. That is a practical lever that can have immediate results and effect on the insurance rates in our province.

I know that members opposite will participate in that process as well. We look forward to coming to the aid of this government, which will no doubt, over the next number of months, realize that they have made a commitment to the people of this province that they cannot keep.

We feel very strongly that at the end of the day what is important is that the people realize and see through empty promises. They will do that. The government of the day will be accountable for their track record. When Mr Colle comes back to report to this House, we all will be watching with a great deal of interest how he will ensure delivery on a 10% reduction within 90 days and a further 10% reduction thereafter. A 20% reduction is the promise that has been made to the people of this province; they deserve nothing less.

The Acting Speaker: Questions and comments?

Mr Kormos: I was struck by one comment in particular, and that's the reference to lawsuits and the millions of dollars and the need for limitations. Let me tell you, my friend, if you are a young university student who is struck down by a drunk driver and left a paraplegic so there is no movement below your neck—you can't even move your own bowels because the muscles don't respond to any nerve signals—are you telling me that that kind of innocent victim of a drunk driver should have to moderate or temper what would be a proper and adequate award by a jury or by a judge? I'm sorry. I think not.

Your colleague Mr Flaherty spoke to this myth about large judgments quite accurately when he talked about the Brampton case, the guy on the motorcycle on the quasi-public road and the lawsuit. The case was dismissed by the appellate courts. The insurance industry was flogging that one, dirty dogs that they are, for not just months but years to rationalize their exorbitant rate increases. The judgment never happened. Please don't get involved in that game of perpetrating the myth of mega-judgments.

First of all, our courts and our awards in this country tend to be very conservative. Secondly, Mr Flaherty, your leader—I'm sorry, your colleague. Mr Eves is the leader. Your fellow candidate for leader—my apologies—lectured you very accurately on the Supreme Court of Canada trilogy and the incredibly low cap that we already have on pain and suffering here in the province of Ontario. The myth of mega-million dollar judgments is precisely that, a myth.

The problem is that both the Conservatives and the Liberals have this perverse, kinky relationship with the auto insurance industry. On the one hand, you want to be their good friends and you want to be intimate with them. On the other hand, you want to be on the side of consumers. But you can't have it both ways. You're either with the consumers or you're with the industry, because the industry certainly isn't with consumers, and if you're with the industry, you're not with consumers.

Mrs Maria Van Bommel (Lambton-Kent-Middlesex): In response to the member from Oak Ridges, I want to say to you that we will keep our promises. They are not empty promises.

You mentioned the role of government. Government has the right to regulate insurance companies, and we will under this bill. We will protect consumers. Insurance companies that fail to comply with the bill will be prosecuted, have their licences cancelled or suspended, and even be ordered to refund excess premiums if that's necessary.

Premiums are out of control—there's no question about it—and something needs to be done. Skyrocketing premiums will force some drivers to resort to driving without insurance or with inadequate insurance.

In rural communities, we have mutual insurance companies, something that may not be as well known to you, but they are a vehicle that we use in our com-

munities to provide insurance in a very flexible and unique way, and it is at a non-profit rate. It can be done. Rural residents need their vehicles more than anyone else. We don't have the option of public transit. We need to get work, we need to get to church and we need to get our groceries by using our vehicles. Insurance is very important to us. We can't afford high insurance costs any more than anyone else, so we are very anxious to see this bill pass. I'm speaking in favour of the bill.

Mr Dunlop: I'd like to commend my colleague from Oak Ridges for his comments here this evening on this legislation. I listen very carefully when Mr Klees makes a comment. He's been a very successful businessman in his day in the business world and he has a lot to offer in his comments, and I appreciate that. It always worked out well when he was whip of our government and when he was Minister of Tourism and Minister of Transportation. I certainly acknowledge his business background and how bright he was with that.

We keep hearing about these broken promises. There's no question that we, as opposition members, will be looking forward to the rate reduction of 20%. We keep talking about the broken promises, and there's no question that that's what we on this side of the House will look forward to, the 20% rate reductions, on average—and we understand that's on average.

We're also going to be interested in how you handle complaints that come in from constituents and residents of our province whom insurance companies simply will not insure, and that's after absolutely no major types of criminal or traffic violations. I want to see what you will do—that's the key—because you're promising this 20% reduction on average.

Mr McMeekin: What would you do?

Mr Dunlop: We're the opposition; you're the government. That's what we'll be looking forward to: seeing what you're going to do with this. I can tell right now that's a very soft point. Obviously they've talked about it in caucus and they know that's something they're going to have a problem with.

I appreciate, again, this opportunity to say a few words tonight.

Mr Prue: I listened intently again to the member from Oak Ridges. He made one statement that I think needs to be said again and again, and that is that auto insurance is mandatory. If you are a consumer, you must have auto insurance. However, it is not mandatory for the insurance company to insure you. Remember, you have to have it; they don't have to sell it. Ah, there is the crux. There is the problem, because an ordinary consumer is forced to buy a commodity which is not for sale, except at increasingly higher and higher prices. If they fall into any of the categories—having had a speeding ticket, having had a minor fender-bender, having had a problem, having not been able to renew for whatever reason it is, having once written a bad cheque—anything at all that an ordinary consumer could find themselves doing, they cannot get insurance.

The question is, can we ever force someone to sell a commodity they don't want to sell? The answer is no, you cannot force them to sell something they do not want to sell or at which they cannot make a huge profit. There it comes back to the same thing again: what do we do? You challenged the Conservatives what to do. I will tell you, no such problem exists in the three provinces that have public auto insurance because those people are all covered. They're all covered at a fair rate, and there is literally nobody in the Facilities portion.

That's why we have to start looking at that, because with your scheme, if the costs go down 20%, you are going to find insurance companies that will say, "It's not worth my while." That is already happening in Nova Scotia, New Brunswick and Prince Edward Island. It will happen big time in the province of Ontario if you proceed as you are proceeding now.

2340

The Acting Speaker: Member from Oak Ridges, two minutes.

Mr Klees: I appreciate the comments from my colleagues. To the member from Lambton-Middlesex, I certainly do know what a mutual insurance company is, having had some experience in the industry myself.

Let me tell you that whether it's a mutual company or a stock company, the insurance industry is very simple: It's premiums in, claims out, and if you don't have enough to balance it off, you go back to either the policyholder or, in the case of public insurance, to the taxpayer to subsidize it. It's a simple business. The fact of the matter is, you will have a challenge, folks. Mr Colle is going to have a challenge. You cannot force a private company to sell insurance at a loss. If you do, you're going to do what Mr Prue suggests; that is, ultimately you'll take it over. There has to be a fair and reasonable return on the investment, whether that investment is made by the private sector or by the public sector.

We have a challenge in this province. We hope the government is going to solve it. We're just cautioning you to be careful what path you go down, because at the end of the day this is not art, this is mathematics: premiums in, claims out, and at the end of the day you have to ensure that somebody pays the premium, pays the price for the claims. There are ways and means to deal with this issue. We certainly were well on our way to doing it. There was a price decrease that was scheduled for December 1. This new government, through Bill 5, stopped that in its tracks, so today the people of Ontario do not have a decrease to look forward to; they have a freeze. What's in the future, we don't know. We wish you well. Twenty per cent is the reduction you've promised. Will this be another broken promise—

The Acting Speaker: Thank you. Time has expired for the member.

Further debate?

Mr David Oraziotti (Sault Ste Marie): I am pleased to rise this evening in support of Bill 5, which freezes automobile insurance rates in effect on October 23, 2003,

and suspends the approval of new applications under the Insurance Act. We're also committed to working to ensure rates are reduced. That's what's going to take place during the 90-day freeze: the development of a plan to further reduce auto insurance rates.

Why are we doing this? We're doing this to keep our promise to Ontarians. The past two governments have allowed these rates to skyrocket. Talk about broken promises: The largest broken promise was the Conservative government's promise to balance the budget. We've been faced with a \$5.6-billion deficit that we're going to have to deal with.

I listened with interest during this debate to comments made by Conservative members and NDP members who continue to live in denial with respect to auto insurance rates. How can you criticize this bill when you've done nothing? You've failed to act. I'm tired of seeing people in my riding and other ridings face ridiculous rates for insurance. Look around here. Which party has acted to deal with auto insurance? Which party has finally stepped up to the plate to deal with auto insurance? I ask the opposition members, where have you been? Where have you been when motorists were facing skyrocketing rates? Let me guess. Was it working hard to control those rates? No. I know where you were. You were sitting on your hands, sleeping at the switch, failing to act in the interests of Ontarians. Well, we're not going to do that. We're going to face the issues that Ontarians face head-on.

I, like many of the other members here, I'm sure, have been getting calls on auto insurance rates. This issue certainly needs to be clarified. If you've received an automobile insurance renewal statement and it has significantly increased—in fact, if it has increased at all—and if it was after we froze rates on October 23, it has increased because the past Conservative government gave your automobile insurance company a rate approval increase prior to October 23.

What are we doing about it? Our government is delivering on another major commitment by taking steps to lower auto insurance rates and protect Ontario consumers. We're determined to act responsibly to protect auto insurance consumers by reducing out-of-control costs and making sure these cost savings are passed on to consumers as lower premiums.

This bill, if passed, would freeze auto insurance rates at levels approved on or before October 23 and would prevent further approvals from taking place for 90 days. Let's be clear to all Ontarians: We need to continue to work very diligently to ensure that we find ways to further reduce auto insurance premiums for the people of this province.

This legislation is an important step in our commitment to give Ontario consumers what they want, which is lower auto insurance rates. These measures will maintain both availability and choice for consumers in obtaining fairly priced auto insurance.

One of our key commitments to Ontario voters was to halt spiralling auto insurance rates. We acted quickly,

after significant years of increases to auto insurance. On October 23, the same day our government was sworn in, Premier McGuinty directed the Minister of Finance to freeze auto insurance rates immediately.

On Wednesday, November 26, our finance minister introduced the Automobile Insurance Rate Stabilization Act, which freezes insurers' private passenger auto rates at levels approved on or before October 23. The bill also ensures that no further approvals can take place for at least 90 days. As my colleague stated, if the bill is passed, approval of applications under the Insurance Act for private passenger vehicles—the rates would be suspended while the bill is in force. Every insurer affected by this freeze would have to reapply to the superintendent of financial services by January 23, 2004. These are good changes for Ontarians. These are the changes Ontarians wanted. These are the promises we campaigned on, and these are the promises we are keeping.

No rates or risk-of-cancellation changes could be implemented without the superintendent's approval. Our priority is consumer protection, unlike the Conservatives and the NDP. Insurers who fail to comply with this bill could be prosecuted or have their licences suspended or cancelled under the Insurance Act and could be ordered to refund premiums charged in excess of authorized rates.

Our legislation gives us the authority to move forward and act on our electoral commitments, which are to reduce auto insurance rates and make those savings affordable and available for consumers. How are we doing this? We're doing this in a number of ways. The parliamentary assistant to the Minister of Finance has been meeting with a number of groups and stakeholders over the past couple of weeks to find the best ways to achieve savings that will bring auto insurance rates down by an average of 10%. The member from Eglinton-Lawrence will be coming forward soon with a number of key recommendations on how those savings will be realized. We will have a solid plan for reducing auto insurance premiums for the people of this province.

We are also looking at other ways to help reduce costs for motorists. For example, our longer-term cost-saving reforms include the creation of customized insurance plans that will allow consumers to save more by allowing them to tailor their insurance coverage to best meet their specific driving needs. In the long run, our cost-saving reforms will result in lower rates, and that's great news for drivers. That's something this government should be proud of. It's something that's long overdue, it's something Ontarians want and it's something we're giving them. In the long run, our cost-saving reforms will result in lower rates. We will continue to work toward a long-term solution to lower rates, cut insurance costs and improve protection. That's what we promised, and that's what we'll be delivering on.

It's pretty clear, when we look at the Conservative record on auto insurance—in the fourth quarter of 2002, motorists experienced an increase of 9.2%; in the first quarter of 2003, another increase. What was the increase to Ontario drivers? It was 7.3% to motorists in this

province in one quarter alone. In the second quarter of 2003, another increase: 8.5% for Ontario motorists. In the third quarter of 2003, an 8.2% increase. When is it going to stop? It's going to stop right now, because we are fulfilling our promise to Ontarians to freeze auto insurance rates and come up with a plan to reduce auto insurance premiums for the people of this province.

The Conservative government was warned by the Insurance Bureau of Canada in 2001 that costs in the auto insurance system were spiralling out of control, but they did nothing. They failed to act. The two former finance ministers hit the snooze button, and auto insurance rates skyrocketed. Despite some cynical pre-election announcements, the Tory government never did deliver lower auto insurance rates for consumers. The first relief for consumers will be our freeze, the October 23 freeze, that will be formalized by this legislation, if passed, by our government.

2350

Well, we know what Mark Yakabuski said, the Ontario vice-president of the Insurance Bureau of Canada: "The auto insurance measures put in place by the previous government were nowhere near enough to support an average 10% reduction in premiums" for Ontario drivers.

How about the NDP? What's their record? We know what their record is. They promised public auto insurance in 1990, and when they were elected they reneged on that crucial promise to Ontarians. In 1991, announcing the broken promise, Premier Bob Rae said, "It will cost too much money, and it will cost too many jobs."

Again, during the past campaign we heard about public auto insurance. The member from Kenora-Rainy River was part of Bob Rae's cabinet at the time and did nothing—the now leader of the third party. A government-funded study at the time said that public auto insurance would cost over \$1 billion to implement, but it was still part of their recent platform. Just tax Ontarians to death. A government-run auto insurance bureaucracy would be larger than the Ministry of Health. We've heard the stats on the Ministry of Health from our good colleague.

The member for Kenora-Rainy River admitted during the 2003 election campaign that implementing public auto insurance would cost 5,000 jobs—a "relatively small" number of jobs. I can tell you that in Sault Ste Marie every job is vital to the economy of our community. I couldn't imagine this province losing 5,000 jobs. How irresponsible could we be?

The NDP's failed reforms in 1994 created the designated assessment centre, an expensive legacy in which injured people have to go through multiple medical assessments without getting the timely treatment that they need. The NDP have no credibility on public auto insurance. If they were so sure it was going to work, they would have implemented it when they were in government.

We're the first government to take this issue seriously. We're the first government to deal with this in a responsible way. I am pleased to support this bill.

The Acting Speaker: Questions and comments?

Mr Kormos: Nuts. I was hoping the member was going to speak out as he was doing—he was on a roll. I was hoping he was going to speak out his time and then carry the debate over to the next day, because you see, I can't move adjournment of the House on the two-minute questions and comments. You have to have the floor as part of a rotation. So it's frustrating to be thrust into a two-minute question-and-comment period where I can't move adjournment of the House and I can't move adjournment of the debate. You understand how that causes me some angst, I suppose.

Having said that, I want folks watching this to understand that this is live. The House is sitting; it's five minutes to midnight on Monday. We'll be here again tomorrow night and the night after.

Understanding that, I'm looking forward to the travelling committee that Ms Sandals guaranteed. I think it'll be interesting. I look forward to travelling with that committee and listening to folks from across Ontario, according to this government's new consultative style, as that committee travels about the province. I don't know whether Ms Sandals is going to be able to travel with the committee, but I appreciate her making the commitment on behalf of her government for those committee hearings, because sometimes it's difficult to get that out of—we don't know about this government yet; it was difficult to get it out of the last government. I suspect, on this particular bill, they weren't particularly enthusiastic about travelling, but let's travel. Let's let 'er rip.

The other thing, having said that: You've got Mark Yakabuski dumping a little bit on the Tories but being embraced now by the Liberals. Don't you get it? Yakabuski is saying that even the attack on benefit levels that the Tories were prepared to adopt wasn't enough for the industry to be as profitable as it wants. Yakabuski wants you to really gouge and drive it to innocent victims. You're prepared to do it. Obviously, I think that's a real shame.

Mr McMeekin: Can you feel it, that breath of fresh air blowing across the province, exemplified by the wonderful, fine new member from Sault Ste Marie, who spoke so eloquently about just what the angst on this whole issue is?

We've heard the member from Oak Ridges talk about some of the practical difficulties and we've heard some members of the third party talk about some of their legitimate concerns. It seems to me that this whole issue, as complex as it is, is one of trying to balance off the competing interests, trying to come to some sensible, pragmatic approach that is going to serve not only those who pay premiums, but also those who earn their living in the various insurance businesses. Nobody wants to lose 5,000 jobs. I think the member from the Soo highlighted that very well.

I think it's important that we in this House understand when there's some passing reference to the new consultative style. I for one am really pleased that we have a Premier and a government here who are not fearful of

opening things up and listening to consumers and people who have something to contribute. There's an old saying that you can't shake hands with a clenched fist. We're going to open this up. The member for Eglinton and others are going to go out and listen hard to what consumers and people who know the business understand the problems to be. Do you know what? We're going to get on top of this. I think the member from Oak Ridges is going to have to eat his words in four years, when we in fact deliver on our promises.

Mr Dunlop: It's great to hear the comments from the new member from Sault Ste Marie. Congratulations on your election victory up there. You beat a good person in the former member from Sault Ste Marie, Tony Martin. He was a very valuable member of this House, although I didn't agree with any of his policies. But he was a valuable member.

I just want to say, in response to some of the comments, I am really looking forward to the hearings on this legislation as well, as we go across the province. Ms Sandals said that earlier, and I'm thinking it would be important that we do that, because when we were in government we were criticized for not getting enough committee time. Now, with this new open concept, this new era of co-operation and democratic renewal etc, I just know that you're going to want to visit every little town and village and city in our province, to make sure you get this right. Because, you know, you're the guys who guaranteed that you're going to have a 20% reduction, on average, in insurance premiums in the province of Ontario. We're looking forward to that. We certainly don't want to see them go any higher. So yes, we're there to help. I offer our caucus's assistance on this particular piece of legislation.

Thank you so much. We look forward to—

Mr McMeekin: Together we can do it.

Mr Dunlop: Yes, OK.

Anyhow, on his comments, it was particularly the hearings I took to be the most important at this point. I look forward to further debate and further comments, I guess tomorrow, when we go back and do a little more of this.

Mr Prue: I listened with great interest to the speaker from Sault Ste Marie. I think it's the first time—I don't know whether it was his maiden speech, but it was certainly the first time I had an opportunity to hear him speak. It's always amazing to me that this government, with 72 members, will spend so much time attacking a little group of us over here, seven people, for an idea whose time has clearly come.

The real issue here is not a price freeze; the real issue here is whether or not this government will ever be able to deal with a 20% decrease in costs, and whether the insurance industry will ever obey what they are hoping it will obey. The reality is, in the other provinces that had their elections before us, they've been trying to do that

and all they have found is that the insurance companies are refusing to insure the people who are marginalized, the people who are in the outer areas, and the whole system across this country is starting to fail. That's why one of your own members—I'd like to quote this. Liberals support public auto insurance. I'd like to quote Hansard of June 4, 2003. The member, who is still the member, from Ancaster-Dundas-Flamborough-Aldershot, said, "I'm with some others in the House who have expressed that if there's no other way to fix it, perhaps we have to do what a lot of us don't want to do, and that's to open our eyes to the possibility that maybe the government has a direct role through public auto insurance." Thank you very much, Mr McMeekin, you have said it right. You are the first one of your caucus to learn what is ultimately going to be the answer. I hope you can spread the good word and I hope the rest can learn from you.

The Acting Speaker: The member from Sault Ste Marie has two minutes.

Mr Oraziotti: I find it very surprising that the member from Beaches-East York, with much experience and history here, would question us, as he said, beating up on such a small group. I guess it's simply reflective of the significant amount of damage that was done in terms of automobile policy and promises that were heaped on the province during their government's tenure. This government, our government, is committed to real change in the province of Ontario. We have frozen the auto insurance rates. We will bring down the insurance premiums for the people of this province. We're doing something that the past two governments only talked about doing, which was acting responsibly in terms of auto insurance rates for the people of this province. How can the other two parties here criticize this bill which takes the first significant steps to act responsibly in dealing with automobile insurance?

We have statistics here in terms of the rates skyrocketing under your government—your government that simply promised to have public auto insurance. We are taking the first steps as a government to freeze the auto insurance rates, to engage the public in real dialogue, real, meaningful input in terms of how to manage automobile insurance rates and how to bring those rates down so that we are being responsible to the automobile insurance community in this province. This is something that the past two parties only talked about.

So I'm really pleased that our government has put that forward in the platform. We are now acting on that promise. I really can't say enough about the party's commitment over the past week or so to deliver real change to the province of Ontario.

The Acting Speaker: It being past 12 of the clock, this House stands adjourned until 1:30 of the clock tomorrow.

The House adjourned at 0002.

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