



Last week Jay's car was rear-ended at an intersection by a woman driving a new Ford Expedition. There was a substantial amount of damage done but the woman doesn't want to put the claim through her insurance so she will be paying for the repair herself. Earlier this year my niece's car was sideswiped while she was parked at her friend's house. The fellow that caused the damage didn't want to put the claim through his insurance so he loaned her a vehicle while hers was being fixed and he paid for the damage himself.

This is an all too common occurrence these days because if an individual has an accident and puts in a claim, he or she is penalized with higher and higher premiums. In BC, insurance is government-run and very expensive however in order to receive the maximum 40% discount, a driver needs to show proof of a claim-free background going back 8 years or more (5% for each year). Even then, the discounted rate is still more than what drivers pay in Ontario, however in BC, they make it affordable for new drivers unlike Ontarians. (I guess the experienced drivers assist in this with their premiums.) This is a pretty sad situation especially when you factor in that the insurance industry is enjoying huge profits despite disasters such as hurricanes, tsunamis and tornados, which produce a lot of claims. This simply means that there are more dollars coming in to them than they are paying out in claims and it is people like you and I that are making it possible. (In BC, they rewarded the executives and management with huge bonuses instead of safe drivers with a refund.) We seem powerless to resolve this situation but I am open to suggestions. I do know one thing for sure: we are being severely ripped off while some fat cat insurance executives are sitting back on their laurels counting their money.