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CFIB and Insurance

by Dan Thompson, R.R.P., R.V.P.

Last year, I joined the Canadian Federation of Independent Business. They exist to promote and protect a system of free competitive enterprise, to strengthen the entrepreneurial culture in Canada and to give independent business a greater voice in determining laws that govern business and the nation.

In their June 2003 newsletter, the Mandate, they noted that, "CFIB calls for action on soaring insurance rates". They noted that rising insurance costs had become a major challenge for many small and median-sized businesses. Since September 11th, many businesses have faced dramatically higher insurance premiums for auto, property and liability coverage; and therefore, they had to contend with reduced coverage and higher deductibles. Some insurance companies have exited certain lines of business or geographic locations in Canada; and therefore, business owners have been left with no competitive alternatives. My wife and I had a terrible time obtaining insurance for our Vacation Property in Huntsville, and our auto policies increased by \$400.00 for our 2 vehicles.

CFIB was urging the federal government for an inquiry into the rising cost of property and casualty insurance. A CFIB survey regarding insurance costs, confirmed that the cost of property and casualty insurance was climbing rapidly and the problem extended to all sectors of the economy. In the beginning of 2003, the Bank of Canada singled out rising insurance costs of auto and home insurance as significant contributors to inflation. Ms. Swift, President of CFIB, noted that, "People are facing increases of 30 percent"; however, CFIB developed materials to help its members understand the problem and what they could do to protect themselves. You can view those documents on CFIB's website at www.CFIB.ca

A Sensible Solution to the Adversarial Process

