

Autoplan will stay in the red next year despite 25 per cent rate increase

By JES ODAM

Even the 25-per-cent rate increase predicted by Health Minister Dennis Cocke will not get government auto insurance in B.C. out of the red in 1976.

The increase, calculated in the most favorable manner to the Insurance Corporation of B.C., which operates Autoplan, will raise around \$50 million.

Even if its claims costs, payroll and other expenses were held at 1974 levels throughout 1976, Autoplan would need the whole of this amount to cover the elimination of the basic \$10 fee for drivers' certificates and the \$32 million by which income fell short of expenses in 1974.

It would also need about \$40 million from the provincial government to cover the cost of the territorial equalization grants, which are unlikely to be dropped for an election year.

And it would still have nothing left to cover the known deficit for 1974 and the expected one for 1975.

ICBC general manager Norm Bortnick — the man who will recommend an increase in 1976 rates to the board of directors, including Cocke — said in an interview that costs are rising compared with 1974 levels.

"There is general inflation, rising costs from body shops, increased claim frequen-

cies and increased costs per claim," he said.

"All our administrative expenses are going up — paper, telephones, computer rentals, materials and office supplies."

ICBC has just come through a three-month strike with an agreement hiking wages by a total of 39 per cent over a 28-month period.

Before the strike, Bortnick said, ICBC's payroll was running at "slightly under" \$20 million a year.

Partly because of the strike and partly because it did not go into operation until March 1974, ICBC does not have detailed figures on the amount by which its costs are increasing.

Figures it does show that not only are there more drivers in B.C., but each one is having more accidents and doing more damage in each of them.

The accident rate for each 100 drivers was 5.69 in 1974, an increase of 14 per cent over 1973, which in turn was up over 1972.

Property damage from 1974 accidents amounted to \$56.57 for each licensed driver on the road, 19 per cent higher than the \$47.58 figure for 1973, and 44 per cent higher than 1972's average of \$32.29 for each driver.

The one bright spot is that injuries and fatalities were down in 1974, on a per driver basis, compared with 1973, although up over 1972.

These figures are reflected in ICBC's claims costs. In the first three months of the 1974 insurance year — March to May — they averaged \$14.7 million a month.

In March, 1975 — the latest period for which ICBC has figures, because of the strike — they amount to \$16.2 million so far, with this figure expected to be higher when all costs are in.

Figures for the seven Canadian provinces which have private auto insurance also show claims costs rising at a steady rate.

Bortnick said 1976 premium rates he will recommend to his directors will "reflect the statistics."

Asked whether the recommended rates will be high enough to allow Autoplan to break even for the year, he replied: "The plan is designed to break even. The minis-

ter (Transport and Communications Minister Bob Strachan) has said that on many occasions."

Cocke made his 25-per-cent prediction during an open line radio show in Kelowna. Strachan, asked about it, said the 1976 rates will be decided next week by the directors.

In fact, the directors' decision has to be ratified by the cabinet. And, in practice, the cabinet has to get the approval of the NDP caucus or face hostile backbenchers on its own side of the legislature as well as on the opposition benches.

A straight 25-per-cent increase on vehicle premiums would work out in practice to bills that are anywhere from 25 per cent to 33 per cent higher than those paid in 1975.

This is because of the introduction of the equalization grants, ranging from \$2 to

\$48, and applied after total premiums have been calculated.

The grants, announced after the government passed legislation allowing it to give ICBC up to 10 cents a gallon on gasoline and other motive fuel taxes, as well as motor vehicle branch fees, are designed to bring down the cost of auto insurance in higher-rated areas of the province, such as the north and the Lower Mainland.

Applying a general increase to gross premiums rather than to the net figure paid in 1975 has the effect of raising more money.

A motorist driving a late model, standard North American car to work in Vancouver, for example, paid \$202 in 1974 for \$100,000 third-party liability, \$100 deductible collision and \$25 deductible collision — providing no under-age drivers were involved.

In 1975, because of the equalization grant, he paid \$166 for the same coverage. A 25 per cent increase on the net amount paid in 1975 is \$41, bringing the new total to \$207.

But a 25-per-cent increase on the gross premium, followed by deduction of the equalization grant, would make the 1976 increase \$50, for a total of \$257 — 30 per cent more than the motorist actually paid in 1975.

Whichever way the predicted increase is applied, young drivers in northern B.C. face the highest jumps — \$100 to \$113 for the principal driver of a late-model standard domestic car with the coverage described above.

Meanwhile, 96 per cent of ICBC's staff has returned after the strike and is busy trying to catch up on the backlog of work, Bortnick said.

Moms make school easier

By MARJHA ROBINSON

Some Vancouver school children attending kindergarten for the first time this fall are finding the classroom as familiar to them as their own homes.

That first day among strangers no longer is frightening to small fry thanks to an experiment started three years ago in 10 city elementary schools for four-year-olds and their mothers.

When it began, the Vancouver Family Service Centres program was a new learning experience for mothers and their pre-

She said the program has been particularly valuable for children who are new to Canada and lack language skills.

"Last year half the participants in the pre-school program spoke a language other than English in their homes."

The program also has made it possible to detect learning and emotional problems in children before they start regular school, so that they may be given help, she said.

"Children who accompany their mothers to these pre-school sessions show an ease of assimilation into the kindergarten routine when it's time for them to attend," Mrs. Hanson said. "They develop independence and confidence, and their mothers get the feel of the school and can share their experiences."

The schools provide the rooms and equipment where qualified nursery school teachers work with the children for two hours a week for 10 weeks.

The mothers act as observers while their children take part in games and simple exercises to develop mind and body skills.

In addition to the daytime programs, the Family Service Centres three years ago developed evening sessions for parents of children of various school ages.

The evening sessions, to be continued starting next month in selected schools, enable parents to share their child-rearing problems with others, and attempt to find solutions.

"As one parent put it: 'A person feels less guilty knowing other folks have the same hassles,'" Mrs. Hanson said.

Family Services of Greater Vancouver is a voluntary organization geared to give help and counsel to families in fields such as money management, day care, home-making and family life education. Last year, 4,500 persons came to the organization for help, guidance or information.

Current budget of Family Services is \$525,000 of which \$338,700 is provided by the United Way.

To meet it, and the budgets of 101 other branches and agencies, including the eight branches of the Red Cross, the United Way is conducting a campaign to raise \$5 million from corporations and residents of Greater Vancouver. To date the campaign has reached \$956,777, or 19.1 per cent of its goal.

UNITED WAY

This Year's Goal
\$5 million

Today's Total
\$956,777

schoolers. It has been so successful that this year it has been taken over by the Vancouver School Board in 11 schools for 55 groups of mothers and children.

"Children feel secure knowing their mothers are there, and they learn to work and play with other children of varied backgrounds and nationalities," said Lucie Hanson, co-ordinator of group programs for Family Services of Greater Vancouver.

Judge's trial on for November

The trial of Vancouver county court Judge Graham Darling on a charge of impaired driving was set for Nov. 24, following a court appearance in Dawson Creek.

Darling, 58, was charged in Dawson Creek on May 1.

Crown Counsel Mike Bishop said the reason for the delay in setting the trial date is because prosecutors and defence counsel are busy with the fall assizes.

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