

THE BRITISH COLUMBIA AUTOMOBILE INSURANCE POOL

A PROPOSAL FROM WESTCO INSURANCE COMPANY TO THE BRITISH COLUMBIA GOVERNMENT TO LOWER RATES STILL FURTHER

AUTOMOBILE INSURANCE COSTS TOO MUCH

Authorities, government leaders, politicians, experts in the insurance field, and now the British Columbia Automobile Insurance Board, agree that the price of automobile insurance in British Columbia is too high.

Apparently everyone agrees except that segment of the insurance industry in British Columbia which is controlled by the Eastern-based insurance industry.

Westco Insurance Company, the British Columbia company with its head office in Vancouver, has consistently maintained that B.C. automobile insurance rates are too high. Westco Insurance Company was founded to offer lower rates to good drivers. And believe it or not, that is the majority of drivers. **Westco is the only company which has stated it will not increase rates in 1972.**

If you have never had a serious automobile accident, why is your current insurance premium so high and predicted to go still higher? Because present insurance law makes it possible for the Eastern-based insurance industry to force good drivers to subsidize bad drivers. This means that no matter if you have been driving for five years or twenty five years and have never had a serious accident, your record is averaged with drivers who have already wrecked two or three automobiles. Your premium is based on a rate which is the average of total driver experience. Most people are good drivers and deserve lower rates. But the insurance industry requires that you subsidize the 10% to 20% of bad drivers who cause the majority of accidents. The insurance industry insists that you pay part of the cost for keeping these poor or marginal drivers on the road.

THE BRITISH COLUMBIA AUTOMOBILE INSURANCE POOL COULD CHANGE ALL THAT

Westco Insurance has proposed to the Government of British Columbia, a pooling arrangement which would set up a two-rate structure. One rate for good drivers who have earned it, a second, or "pool" rate which would apply to poor or marginal drivers.

Two benefits would result from such a progressive step:

1. The insurance rate for good drivers would automatically be reduced.
2. Because there would be no selling, as such, required for any driver placed in the Pool, there would be no salesmen or agent's commissions involved in this marginal type of business. Therefore this poorer type of driver could also benefit from lower overhead on his rates.

HOW WOULD THE BRITISH COLUMBIA INSURANCE POOL (BCAIP) BE ORGANIZED?

1. All insurance companies and agencies, the Motor Vehicle Departments, and the Office of the Superintendent of Insurance or any other designated office would have BCAIP application forms. When an applicant for automobile insurance was found to be unacceptable to any company on the basis of risk, he would merely fill in one of these forms and send it, or deliver it to the BCAIP office with a certified cheque, money order or cash payment in the amount of \$75.00. This would effect immediate coverage. When the Motor Vehicle Report (driving record of the applicant) had been obtained the proper minimum rate would then be applied.

2. The BCAIP office, upon receipt of the application and the minimum partial payment of \$75.00, would immediately assign a policy number, issue a pink liability card and a policy booklet. The applicant would be instantly and irrevocably bound for coverage.

HOW WOULD CLAIMS BE HANDLED?

The BCAIP would have its own claims department, functioning just as the claims department of any insurance company should function. The BCAIP insured who has had an accident would immediately notify any claims to the BCAIP and they would be processed promptly.

WOULD THIS PUT THE GOVERNMENT OF BRITISH COLUMBIA INTO THE INSURANCE BUSINESS?

Yes! But only in terms of marginal or poor business which the private automobile insurance companies have already indicated they do not want and which they refuse to write.

At present such unacceptable insurance business is placed in the "Insurance Exchange" which is the name given by the Eastern-based insurance industry to their own new private version for B.C. only of the inequitable and unworkable Assigned Risk Plan. Companies who implied they welcomed the "Insurance Exchange" were quickly found to be both refusing to accept risks and also refusing their agents permission to be recorded as the company refusing risks. The result is that these applicants are still being shuffled around from office to office, seeking compulsory coverage.

The BCAIP will solve this problem, once and for all — and with no capital outlay.

WHAT ARE THE BENEFITS OF BCAIP?

1. The immediate coverage of poor and marginal drivers who are at present regarded as unacceptable risks.
2. Lower rates for good drivers.
3. Lower overhead on the rates for Pool drivers than under any other system.
4. Employment for British Columbians. It is estimated that the establishment of the BCAIP would create at least 200 jobs in British Columbia in direct employment alone. The equivalents of these jobs are currently held in Montreal and Toronto.
5. All of the supplies of the present Facility, including printed documents, emanate from Montreal. The BCAIP would utilize British Columbia materials, British Columbia printers and British Columbia products as far as economically possible.

If you agree that automobile rates are too high . . . If you agree that the British Columbia automobile insurance industry should be controlled in British Columbia, for the benefit of the people of British Columbia, and not from outside the province . . . You can do something about it.

Urge the government of the Province of British Columbia to form the British Columbia Automobile Insurance Pool.

Contact your local M.L.A., or complete and mail this coupon to Westco Insurance Company. Westco will use all coupon returns in support of its presentation to lower Automobile Insurance rates in British Columbia.

Signed: Brian Rudkin
President
Westco Insurance Company

I urge the Government of British Columbia to consider and implement with the least possible delay a British Columbia Automobile Insurance Pool controlled in British Columbia to enable all drivers to obtain automobile insurance coverage at lowest possible cost.

Name _____
Address _____
Signed _____
Date _____

Mail to: Westco Insurance Company, 1927 West Broadway, Vancouver 9, B.C.

westco

INSURANCE COMPANY

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