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COMMUNIQUÉ

St. John's, March 22, 2002 – The Atlantic ministers responsible for regulation of the insurance industry met today in St. John's, Newfoundland and Labrador. The meeting, organized by the Minister of Government Services and Lands of Newfoundland and Labrador, Walter Noel, recognized that the Atlantic provinces have common challenges.

Minister Noel stated: "I welcomed this opportunity to brief my Atlantic colleagues on our experience with automobile insurance reform here in Newfoundland and Labrador. As the first Atlantic province to systematically examine this issue we feel that our knowledge will assist the others. Since May 1995 when the first House of Assembly Select Committee started its review, many of these issues have become of interest in the other Atlantic provinces."

In addition, there was consultation on progress towards the development of harmonized insurance legislation through the channels established under the Council of Atlantic Premiers.

The discussions between Ministers highlighted challenges inherent in regulating the insurance industry. Newfoundland and Labrador's public consultation on automobile insurance reform clearly illustrates the breadth of interest in this industry and the scope of issues that impact on the affordability of insurance for the general public. The ministers discussed the public reaction to the Newfoundland and Labrador *Proposals for Automobile Insurance Reform: A Consultation Paper*, released in October 2001. The information provided by Minister Noel and released at a press conference on March 8, 2002 will assist other provinces in their own assessments and will facilitate completion of the Atlantic Insurance Legislation Harmonization Project.

The Honorable David Morse, Minister of Environment and Labour (Nova Scotia) stated: "We have been monitoring this situation very carefully. As a result of this I have requested the Utility and Review Board to examine private passenger rates in Nova Scotia. This meeting with my Atlantic counterparts afforded an excellent opportunity to discuss the broader issues on a regional basis."

The ministers noted that there has been a significant amount of cooperation among the Atlantic provinces in the area of insurance, especially since 1997 when a regional project was initiated to pursue harmonization of legislation governing the regulation of the insurance industry. It was recognized that consumers would benefit if the regulatory

burden was reduced. Based on this recognition, the superintendents of insurance continue to collaborate on the development of a common legislative framework.

The Honorable Jeffrey Lantz, Attorney General (Prince Edward Island) stated: "The current insurance regime in Prince Edward Island is very similar to that in the other Atlantic provinces. Our main goal in joining these discussions was to share information and talk about how each of the Atlantic provinces can work together in meeting the challenges we face in regulating the insurance industry."

The Honorable Bradley Green, Q.C., Minister of Justice and Attorney General (New Brunswick) added: "As minister of the lead province for the Atlantic Insurance Legislation Harmonization Project, I was pleased that Atlantic ministers had this opportunity to discuss the regional harmonization project and other insurance issues face-to-face. In response to public concern regarding accessibility and affordability of auto insurance, New Brunswick has established a Select Committee on Private Passenger Insurance. This Committee's report, due July 2002, will assist our province in developing an appropriate regulatory framework for automobile insurance."

The ministers agreed that the superintendents will proceed with the completion of the legislation harmonization project, including the development of regulations. The ministers committed to support the principles of regional cooperation and maintain the long term advantages gained through exchange of information.

On a final note, the ministers also endorsed the establishment of a committee to be led by Newfoundland and Labrador to develop a system of plain language disclosure requirements on the purchase of home owner's and automobile insurance.

- 30 -

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