



# **WHY NO-FAULT AUTO INSURANCE IS NOT RIGHT FOR INJURY VICTIMS**

## **WHAT YOU NEED TO KNOW BEFORE WRITING YOUR MLA**

**There are many reasons why no-fault insurance is not right for injury victims. Listed below are just a few that can help you craft a letter to your MLA.**

### **NO-FAULT BENEFITS INSURANCE COMPANIES, NOT INJURY VICTIMS**

No-fault insurance is designed to help insurance companies control costs, not to better treat Albertans injured in automobile accidents. There is no evidence to suggest that eliminating the right to sue for injury compensation would actually improve medical outcomes for injured Albertans. What has been established is that no-fault regimes by broadening the pool of beneficiaries, undercompensates those with severe and chronic injuries and overcompensates those with less severe injuries. This dynamic would neither better treat Albertans who suffer injuries from automobile accidents nor save costs, but would instead serve to transfer costs out from the insurance system and onto Alberta's health care system. No-fault means even more profits for insurance companies while injury victims will pay more to support their recovery.

### **NO-FAULT LOWERS COMPENSATION FOR INJURY VICTIMS**

No-fault auto insurance puts the interests and wellbeing of at-fault drivers ahead of innocent victims of accidents. These systems increase costs to all consumers only to provide greater benefits for at-fault drivers at the direct expense of innocent drivers who see decreased benefits. This is a fundamentally unfair proposition that rewards at-fault drivers and punishes innocent ones with inadequate benefits. In essence, purported savings from a no-fault system is predicated on robbing a victim of fair compensation to reward a responsible party.

### **NO-FAULT MEANS A WCB-STYLE BUREAUCRACY WILL DETERMINE INJURY COMPENSATION**

A no-fault system means insurance disputes will no longer be settled by the courts. Instead, a new government bureaucracy will be created much like the Workers Compensation Board (WCB). A WCB model to determine injury compensation will eliminate longstanding rights of Albertans, treat injury victims unfairly, and represent an intrusion into patients' rights. Albertans do not want another WCB for auto insurance run for the benefit of private insurers.

### **INSURANCE COMPANIES ARE EXTREMELY PROFITABLE**

The insurance industry has profited off the pandemic saving \$745 million in costs in 2020. Despite the huge windfall profits, insurance companies are lobbying for a no-fault system that will save them even more money and hurt injury victims.

### **NO-FAULT IS THE WORST FORM OF CORPORATE WELFARE**

Auto insurance companies are profitable in Alberta but at the same time have been hiking rates on Albertans. Doing even more favours for a profitable industry is the worst form of corporate welfare.