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# N.S. government adviser denies being duped by insurance industry over caps

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HALIFAX - A key government adviser resisted a lawyer's pressure Thursday to say she and the province were "duped" by an auto insurance industry that claimed it was in a financial crisis at the time Nova Scotia proposed capping payments for some accident victims.

"I don't feel there was a misrepresentation," Barbara Jones-Gordon testified in Nova Scotia Supreme Court. "I feel that they gave us the information they had at the time."

Jones-Gordon, a senior policy analyst working on insurance issues in 2003, was called to testify in a lawsuit filed by two Halifax residents and the Nova Scotia Coalition Against No-Fault Insurance. The plaintiffs want Nova Scotia's auto insurance legislation declared unconstitutional and the cap scrapped.

In 2003, rising insurance rates were such a concern that they became an issue in the provincial election campaign. Hundreds of complaints had been received in the previous months by the Superintendent of Insurance. Thousands more poured into the province's consumer advocate.

Then-Premier John Hamm introduced legislation to place a \$2,500 limit on payments for pain and suffering for people with soft-tissue injuries. The cap on those minor injuries and chronic pain - which make up as much as 90 per cent of injuries in car accidents - was to make up for a 20 per cent rollback on insurance rates and a one-year rate freeze.

Lawyer Barry Mason presented Jones-Gordon with an actuarial report indicating that although insurers said costs of claims were on the rise in 2001, 2002 and 2003, that wasn't the case. Figures show the industry made \$167 million in total payouts for those kinds of claims in Nova Scotia in 2001 to \$147 million in 2002 and \$138 million in 2003.

The plaintiffs in the case, Melissa Gionet and Anna Marie MacDonald, say they were involved in car accidents and describe their cases as prime examples of the unfairness of the province's \$2,500 cap. Both say the accidents have had ongoing effects on their lives.