

YOUR BUSINESS

Thursday, April 30, 1998 Section C

The Markets

▲ **TSE 300**

+ 41.86 to 7609.53

▲ **DOW**

+ 52.56 to 8951.52

▲ **DOLLAR**

+ 0.16 of a cent (U.S.) to 69.60 cents, \$1 (U.S.) cost \$1.4368 (Canadian)

▲ **GOLD**

+ \$2.20 (U.S.) to \$310.10 (\$445.55 Canadian)

PRIME

6.50 per cent

■ COMPLETE QUOTATIONS, C4, C8

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Today in Business

Canada, Israel trade growing slowly, surely

Canadian businesses have reason to celebrate Israel's 50th anniversary, too. The Star looks at the budding trade between the two countries, including a President's Choice deal that has Israelis hungry for more. **Page C3**

Torstar ups dividend, sets sights on Russia

The Star's parent company is heading to Russia with love. Its Harlequin division plans to expand sales of romance novels in Moscow. At home, the company plans to increase its dividend and split its stock two-for-one. **Page C3**

Smart Money

Look forward, not back, before you leap

Investors still tend to buy mutual funds based on past performance. They skip the small print saying past returns are no guarantee. James Daw reviews a new book ranking future risk. **Page C4**

Commentary

Improved productivity key to job strategy

Boosting productivity creates jobs and raises living standards. But Canada has had the poorest productivity performance among G-7 countries since the 1970s. That's where the OECD comes in, David Crane explains. **Page C2**

Workplace

Putting a collar on the boss's pet

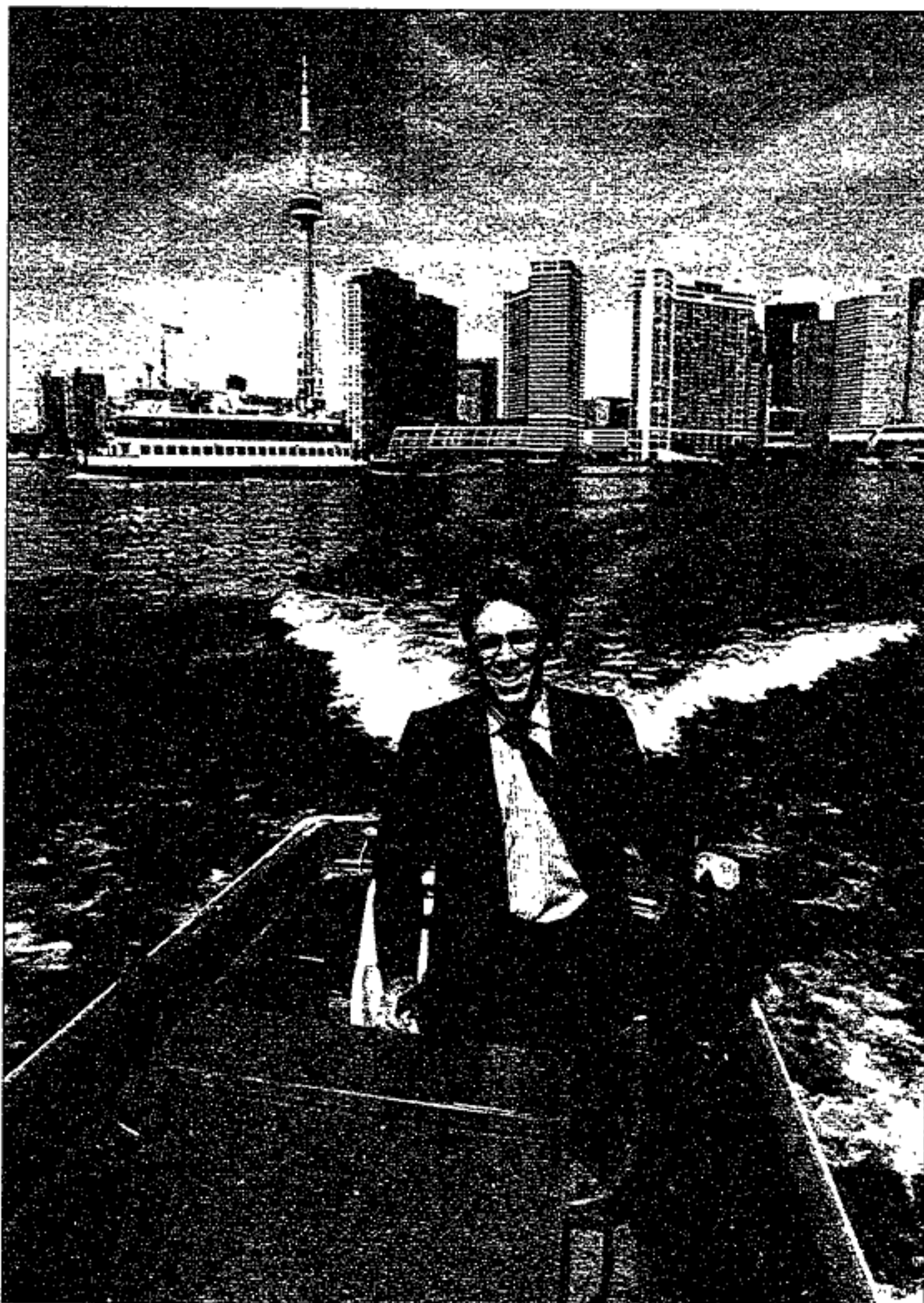
What do you do when the kudos and choice assignments knock at someone else's door? When a co-worker happens to be the favourite, try cultivating your relationship with the boss. **Page C7**

Tomorrow

Mutual fund changes derail the gravy train

New regulations that take effect tomorrow will limit perks for people who sell funds. The clampdown aims to ensure investors are sold funds that suit them, not ones that earn the sellers bonuses.

Steering his own firm



MINE SLAUGHTER/TORONTO STAR

Toronto Islander and consultant Ian Brown has a backup plan when he misses the ferry — his own boat. If only his home office set-up worked as well.

Space, budget are key to home-office design

BY LISA WRIGHT
BUSINESS REPORTER

Self-employed consultant Ian Brown may need a new suit for those last-minute business meetings in downtown Toronto.

A wet suit. When he's in a rush, the Toronto Islander often finds himself hopping into his motor boat — or even his canoe — to make it across the harbour on time when he misses

Smart Money: Home Businesses

the ferry.

"It takes its toll on suits," he says

Brown, an economic development consultant who works on contract, is one of a growing army of people who have left the traditional workplace behind to make a living by working out of their

homes.

"I'm probably not a typical example," Brown admits of his charming location on Ward's Island.

Perhaps more than an all-weather wardrobe though, Brown could probably use

■ Please see Good, C12

At last, she's allowed to do \$40 good deed

BY VALERIE LAWTON
BUSINESS REPORTER

This was one good deed that took a lot of determination.

Christine Cushing discovered a bit of cash left behind at a bank machine almost a year ago. It was only \$40 but, as she puts it, 40 bucks is 40 bucks, and she wanted to return the money to its rightful owner.

Her efforts to find that person finally led her to the apartment of Charlene Conn yesterday. Cushing delivered the two \$20 bills during her lunch break.

"I'm sorry it took so long," she told Conn.

But Conn said the timing couldn't have been better. She lost her secretarial job last April and her unemployment benefits ran out a just few weeks ago. "I

think \$40 means a fair bit to anyone," she said.

Conn, who has three grown children and six grandkids, had a thank-you card, a gift of a lottery ticket and a huge grin for the Good Samaritan.

Conn said she was stunned and touched to hear about Cushing's year-long bid to track her down.

"It's just so unusual in this day and age," Conn said. "It just makes you feel good that there are people who would do that."

The story began when Cushing went to withdraw money for groceries and found \$40 in the slot of a Canada Trust bank machine at the Loblaws store at Leslie St. and Lake Shore Blvd. E

■ Please see Her, C12

Insurers hit by CPP payment decision

Ruling called victory for car crash victims

BY COLIN PERKEL
CANADIAN PRESS

Insurance companies cannot deduct Canada Pension Plan disability payments made to auto accident victims from damages awarded in injury lawsuits, the Ontario Court of Appeal has ruled in a decision that could cost insurers hundreds of millions of dollars.

"This case affects the entire insurance industry," lawyer Barry Edson said yesterday.

The appeal court upheld a ruling that CPP disability payments are not meant to replace lost income, and hence shouldn't be deducted from insurance payouts awarded to crash victims in civil suits.

"It's a major victory for Ontario accident victims in their fight for fair compensation," said Edson, who acted as counsel for the plaintiff, Raffaele Cugliari of Toronto.

The bricklayer was 60 years old when he was badly injured in a vehicle crash in June 1990. He began receiving CPP disability benefits in June 1992.

Cugliari sued the other driver, who through his insurance company State Farm, admitted being at fault. At a trial in 1994, a jury awarded Cugliari more than \$100,000 for pain, suffering and loss of income.

However, the judge ruled that the \$20,000 CPP benefits he had received should be deducted under the Insurance Act from the award. Cugliari appealed and in 1996 a court sided with him.

The case was appealed again and State Farm hired constitutional lawyer Neil Finkelstein to argue its case in January.

The Court of Appeal upheld the earlier ruling in a decision released last week.

Thousands of disabled people could be affected by this de-

cision, Edson said.

"A lot of these people are in poverty. We're talking about people who suffer very serious injuries in auto accidents."

It's too early to tell how the ruling will affect premiums.

However, the ruling will have far-reaching impact on the wording of all auto policies.

Currently, auto insurance policies issued in Ontario contain language that allows insurers to deduct payments for loss of income from benefits payable to accident victims.

"Auto insurance policies that are still in existence today have the same wording (as the Insurance Act)," he said.

"The decision will have a tremendous financial impact on the insurance industry," Edson said. "I would think we're talking hundreds of millions of dollars in the province of Ontario."

But some other provinces, such as B.C. and New Brunswick, have similar rules, said Randy Bundus, associate general counsel for the Insurance Bureau of Canada, the industry's trade group.

"A number of companies I have spoken to feel (the ruling) is quite significant," he said.

"In establishing (premium) rates, the companies expected that the Canada Pension Plan disability amounts could be deducted."

The decision could also affect general disability insurance when people are collecting from both their insurance company and CPP, he said.

A spokesperson for State Farm said they had not yet received the transcript of the appeal court ruling and couldn't say whether the company would attempt to appeal.

Crash victims who are having CPP disability payments deducted from their insurance payouts should retain legal help immediately and challenge their insurance companies because they could lose the right to those benefits if they don't act, Edson said.



KEN FAUGHT/TORONTO STAR

CASH BACK: Good Samaritan Christine Cushing, left, hands over the \$40 Charlene Conn left at a bank machine last year.

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