

Auto Insurance – Changes Coming For Ontario Drivers

WE THOUGHT YOU SHOULD KNOW

You may have heard recent announcements in the news about changes coming to the Ontario automobile policy. In late 2009, Ontario Minister of Finance, Dwight Duncan announced a series of changes to provide Ontario motorists with choice and flexibility in purchasing coverage, while maintaining affordability. You may be wondering how the changes will impact you. This communication is intended to clarify the current situation and put your mind at ease, so you can get on with what's important – living.

ONTARIO AUTO INSURANCE - BACKGROUNDER

In Ontario, auto insurance is a government regulated product. The product features and benefits are identical, regardless of the insurance company you buy it from. Even the premiums charged by each insurance company are monitored and approved by the Financial Services Commission of Ontario (FSCO). In the end, the provincial government has an obligation to ensure consumers have access to adequate, uniform auto insurance protection.

In 2009, the Ministry of Finance completed a 5 year review of the auto insurance product in Ontario. The goal was to:

- Increase consumer choice
- Address affordability and factors contributing to the cost of auto insurance
- Maintain the most robust policy benefits of any jurisdiction in Canada

PROPOSED CHANGES

As result of the 5 year review, a package of 41 reforms was introduced by Finance Minister, Dwight Duncan. Some of the key changes outlined include:

- More choice and flexibility for individuals to select personal benefit levels for:
 - * Medical & Rehabilitation Benefits
 - * Attendant Care Benefits
 - * Housekeeping/ Home Maintenance/ Caregiver Expenses
- New “basic” levels of coverage that can be acquired at a lower cost
- Streamlined industry processes to make the system less complex
- Streamlined industry processes to reduce transaction costs

The insurance industry is working closely with the Financial Services Commission of Ontario and other important stakeholders including consumers to prepare for the implementation of these new features.

WHAT THIS MEANS TO YOU

On **September 1, 2010**, changes are coming to auto insurance in Ontario.

Additional accident benefit choices will allow you to customize your policy to suit your needs.

These choices will give you greater influence over the price you pay for insurance.

Pricing will vary based on the benefits you purchase.

WHAT'S NEXT

The reforms and new choices take effect September 1, 2010.

Your policy will remain unchanged until your next renewal.

At that time, you'll be provided with more information on the

changes and your options.

After September 1, 2010, you can also choose to make changes to your policy prior to its renewal date.

WE'RE HERE TO HELP

Don't worry. When the new auto insurance product is rolled out, your mutual agent or broker will be prepared to assist you through any changes by explaining the choices and implications. As a mutual company, we are committed to ensuring our policyholders have a smooth transition into this improved automobile insurance product. More importantly, in the event of an accident, we will continue to respond with the kind of personal claims service that treats you like a neighbour – not a number.

FOR MORE INFORMATION

Additional information about the changes to auto insurance in Ontario and the reasons for the changes can be found at the following website:

www.ibc.ca/en/Car_Insurance/ON/Auto_reform.asp

