

## WHAT CAN I DO TO KEEP MY PREMIUMS LOW?

Private auto insurance is competitive. While the basic car insurance policy is defined by the provincial government, there are choices available in terms of coverage limits, deductibles and optional coverages.

### TO LOWER YOUR PREMIUM, ASK YOUR INSURANCE REPRESENTATIVE ABOUT THE FOLLOWING:

- ✓ increasing your **deductible** (i.e., your share of the cost of a claim)
- ✓ dropping **collision and/or comprehensive coverage** on an older car
- ✓ getting **package deals** for insuring your car and home, or more than one car, with the same insurance company
- ✓ installing an approved **theft deterrent system** in your vehicle
- ✓ buying a car with a **lower-cost insurance rating**

### IN ADDITION TO SHOPPING AROUND AND CONSIDERING THE OPTIONS ABOVE, YOU CAN:

- build a consistent accident- and conviction-free **track record**
- adjust **how your car is used**, (i.e.: take public transit to work if it is available)
- check with your insurance representative about **excluding high-risk drivers**
- ensure that your insurance company has an **accurate VIN record** for the car. The VIN is your car's identity – what insurers use to confirm the kind of car you drive. Some cars are more expensive to insure. You could be paying the premiums for a different (i.e.: more expensive make or model) car

## HOW DO I GET MORE INFORMATION ABOUT ONTARIO AUTO INSURANCE?



Insurance Bureau of Canada's Consumer Information Centre can help.

Tel: **416-362-9528**

Toll-free: **1-800-387-2880** (*Ontario only*)

Hours: **M-F 8:00 a.m. – 6:00 p.m.**

Or visit [www.ibc.ca](http://www.ibc.ca).

Insurance Bureau of Canada is the national industry association representing Canada's private home, car and business insurers. Its member companies represent nearly 95% of the property and casualty (P&C) insurance market in Canada. The P&C insurance industry employs over 110,000 Canadians, pays more than \$6 billion in taxes to the federal, provincial and municipal governments, and has a total premium base of \$38 billion.

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# Ontario Auto Insurance: GETTING ANSWERS

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## HOW ARE MY AUTO INSURANCE PREMIUMS CALCULATED?

In Ontario, over 140 private insurance companies offer auto insurance to customers and compete on the basis of price, coverage and service. Car insurance premiums, like all insurance premiums, are determined based on risk. Insurers must predict how likely it is that claims will be made, and how much these claims will cost. They must also predict how much they will need to meet their operating expenses, to pay industry taxes, and to maintain reserve funds large enough to pay claims in the event of a catastrophe.

### HERE ARE SOME FACTORS THAT INSURERS CONSIDER WHEN CALCULATING YOUR AUTO INSURANCE PREMIUMS:

- ✓ Where you live
- ✓ The type of vehicle you drive
- ✓ How you use your car
- ✓ Your driving record

In the highly competitive and complex field of auto insurance, prices are also affected generally by market forces and cost pressures faced by all insurers. These include health care costs, legal expenses, economic fluctuations, taxes and unpredictable catastrophic events.

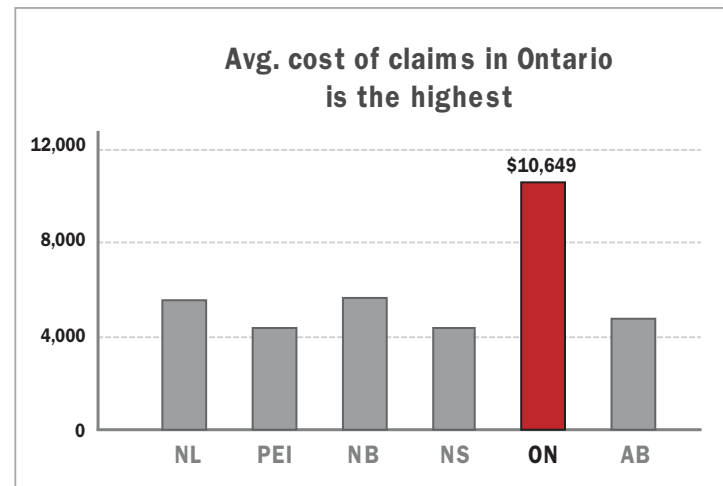
## WHAT IS HAPPENING WITH AUTO INSURANCE PREMIUMS RIGHT NOW?

### WHEN ONTARIANS ARE INVOLVED IN ACCIDENTS, INSURANCE COMPANIES:

- ✓ help them get better
- ✓ support them if they are unable to work
- ✓ protect them financially if they hurt someone else and are sued for it
- ✓ help them repair their damaged automobiles

Auto insurance is provided within a strict framework of provincial laws, and is supervised by a provincial regulator. In Ontario, that regulator is the Financial Services Commission of Ontario (FSCO). If Ontario auto insurers want to change their pricing, they must first get approval from FSCO.

Currently, Ontario has the most generous auto accident benefits in North America. As a result, Ontario has the highest claims costs in Canada.



## WHY DO MY PREMIUMS RISE SUDDENLY EVERY FEW YEARS?

When claims costs rise, premiums follow.

Auto accident benefits can be as generous as Ontarians want them to be – but that comes with a cost: higher premiums for all drivers.

Consumers deserve an affordable and stable insurance product that ensures accident victims get the care they need, while keeping premiums reasonable for all drivers.

**Ontario auto insurance is currently undergoing a planned 5-year provincial government review. The auto insurance industry has provided recommendations to government to secure long-term affordability and market stability to the benefit of all consumers – solutions that will put an end to cyclical premium crunches.**

