

ONTARIO AUTOMOBILE INSURANCE HAS CHANGED

The Insurance industry and the Ontario government have been working to ensure that car insurance in Ontario is fair and affordable. Beginning in 1996, the Automobile Insurance Rate Stability Act was passed. Following its introduction, average insurance premiums declined by over 12%, meaning significant cost savings for many consumers. But lately, rates have increased substantially as claims costs have been rising.

To help control costs and stabilize rates, the Ontario government is implementing a two-step reform package:

Step One, effective October 1, 2003, deals with fairness and immediate cost pressures. Reforms to coverage are designed to ensure that injured people receive the care they need while reducing red tape, fraud and abuse. These changes will:

- Streamline access to treatment for common injuries such as whiplash by introducing a pre-approved framework for treatments;
- Improve access to benefits for children and others suffering serious injuries;
- Prohibit unfair business practices by health care providers and paralegals effective November 1, 2003;
- Introduce a code of conduct for paralegals working in the auto insurance system effective November 1, 2003;
- Prohibit insurers from changing the risk rating of consumers because of not-at-fault accidents or an inadvertent NSF cheque;
- Change your policy so that if your car is stolen and not found, your insurance company will now subtract the deductible*. This change will take effect when your policy is renewed and apply to all new policies issued on or after October 1, 2003.
- Clarify your policy so that if your car is a total loss (or write off), and you have coverage with a deductible, your insurance company will subtract the deductible*. This is a clarification and will take effect October 1, 2003.

Step Two could save more. After consultation with the public, the government plans to do more so Insurance companies can lower car insurance rates for good drivers. We will keep you informed.

For more information on the plan for affordable and fair car insurance, or to discuss your policy, please contact your Insurance representative.

**Remember, the Ontario auto insurance system allows you to customize your policy by choosing the level of your deductibles and additional accident benefits that suit you best.*

This consumer advisory was produced by the Financial Services Commission of Ontario.

www.hubbardinsurance.com