

February 10, 2010

Ontario's Car Insurance System – Update

How are Ontario car insurance premiums determined?

Where do you find about whether your car insurance premiums are going up or down?

Readers may wish to review **FSCO's (Financial Services Commission of Ontario) quarterly rate approval page**. By the most recent **approvals in late 2009**, it appears that insurance rates will increase – from zero to 15% increases were granted. The **Toronto Star's James Daw** recently explained the issue.

Background information about wide-ranging reforms of Ontario's car insurance regime, including how Accident Benefits claims and tort lawsuit actions are to be governed, is available at our **Nov 2/2009 blog** and also our **April 7/2009 blog**.

Although there are various factors that influence the decision of the insurers to ask for rate increases, one factor is that insurance companies generally invest premiums received to make their returns and when the stock markets falters (as in the last part of 2008 and early 2009), this affects the submission of those companies to FSCO for premiums increased.

Controlling the costs and claims size is part of the Ontario government's focus in suggesting the reforms as detailed in our Nov 2/2009 blog.

The changes to the auto insurance regime are expected this year, with a view to stabilizing rates / deal with this issue well before the next provincial elections in October, 2011.

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