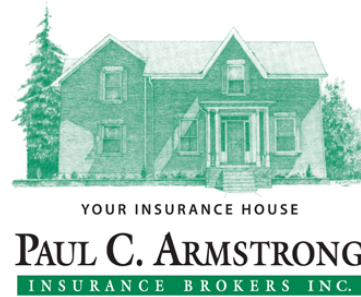


Ontario Auto 15% Rate Reduction?



When will I be getting my 15% reduction in my auto premium?

Despite what you've heard in the news, promised rate reductions are not instant and are going to take time. The government has set a target to reduce rates on average by 15% over two years ending August 2015;

- 8% by August 2014 and;
- Another 7% by August 2015

This means not everyone is guaranteed to see a 15% reduction as it will depend on a number of factors:

1. Your insurer – companies that can demonstrate they can't provide the reduction don't have to;
2. Where you live – insurers price by territory claim experience and can justify different rates depending on where you live;
3. Your individual characteristics – it's an average so some may get higher reductions while others will get lower reductions

The rate reductions, particularly in the second year will depend on how successful the government is in reducing the cost of fraud, mostly in health claims;

The government is working on the licensing of health care clinics and regulating the towing industry but this will take time;

As a voter, you should encourage your politicians to try and fix the fraud problem as quickly as possible, because the faster fraud can be combated, the faster premiums can be lowered – but it can't be done overnight. It will take time.