



# Staying in Touch

*Tips, strategies and advice to help you choose the right insurance coverage*

## When Disaster Strikes

Natural disasters can strike anytime, anywhere. Like last year's forest fires in BC, or Hurricane Juan's devastating impact on parts of Nova Scotia and PEI, the damage and turmoil can seem overwhelming.

While Mother Nature's force is unpredictable, the response of the insurance industry is not.

It's reassuring to know that the insurance industry has developed emergency response teams and procedures to act quickly and efficiently whenever disaster strikes.

Brokers, insurance company representatives, adjusters, and appraisers are all trained to respond professionally and compassionately to meet the needs of people suffering losses.

It has been said that every cloud has a silver lining. This is also true with the economic side of a community devastated by a catastrophe. To rebuild or replace homes and buildings often means buying goods and services locally or provincially. This process can add millions to a local economy and create jobs that would otherwise not be available.

When disaster strikes, the insurance industry organizes teams of people from across the country who respond with selfless energy to help those in distress.

As your broker, we're proud to be part of the solution.

**Did you know...The BC fires will eventually cost the industry over \$300 million? Hurricane Juan's destruction is expected to top \$100 million.**

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Your best insurance  
is an Insurance Broker

## Protect your PIN! Tips to avoid credit card fraud

**A new twist on credit card fraud has been discovered in Ontario.**

Using skimming devices and hidden miniature cameras at Automated Teller Machines (ATMs), criminals have been able to steal PINs and other personal information to make counterfeit cards and get into personal banking accounts.

The technology used by the criminals has become very sophisticated. If you see anything unusual when using an ATM, contact the bank, owner of the premises, or the police immediately.

And remember, always cover the PIN pad when entering your personal code.

### Tips to avoid getting caught by credit card fraud

- Memorize your PIN - never carry your PIN in your wallet or write it on the back of your card.
- Never disclose your PIN to anyone.
- Never leave your credit or bank access card as a "security deposit" or as identification.
- Store your card in a secure place where you will immediately know if it is missing.
- Report a lost or stolen card immediately.
- Never give your account number to someone calling you on the phone, even if the caller says it will be used to claim a prize or award.
- Always confirm the amount being debited from your card.
- Never leave receipts and carbons behind.
- Check your statements carefully.

## Automobile Insurance Update

**Effective October 1, 2003, the former Progressive Conservative government announced the following reforms to automobile insurance:**

- The introduction of:
  - Pre-approved treatment for whiplash injuries.
  - Rules concerning both the types of injuries that are valid when suing for pain and suffering and healthcare expenses, and what evidence is required for such claims. These rules are applicable to accidents on or after October 1, 2003.
- Changes to:
  - Policies issued or renewed on or after October 1, 2003. If your vehicle is stolen and not found, your insurance company will subtract the deductible.
  - Deductibles for pain and suffering court awards. They have changed from \$15,000 to \$30,000 (and from \$7,500 to \$15,000 for dependants' awards).
- Expansion of your right to sue for excess health care expenses for accidents occurring on or after October 1, 2003.
- Clarification of policies, so that if your car is a total loss (write-off) and you have coverage with a deductible, your insurance company will subtract the deductible. This clarification took effect October 1, 2003.

With the election of the Provincial Liberal government in October 2003, additional changes have been made to achieve the election promise of a 10% reduction in rates.

### Reforms effective November 1, 2003:

- Prohibition of unfair business practices by health care providers and paralegals.
- Introduction of a code of conduct for paralegals working in the auto insurance system.

### We also have reforms effective April 15, 2004:

- The standard collision deductible has changed to \$500 for contracts issued or renewed on or after April 15, 2004. You will continue to have the option of purchasing other deductibles.
- Changes to the availability of income replacement benefits and attendant care benefits for those with whiplash injuries in accidents occurring on or after April 15, 2004.

The industry's undertaking to balance the solvency requirements of the Office of the Superintendent of Financial Institutions (OSFI) with the efforts of the Financial Services Commission of Ontario (FSCO) to ensure competitive pricing has been difficult.

On behalf of you, the insurance consumer, our association is working with all of the stakeholders and the government to control costs while maintaining benefits and insurer solvency.

Check with us, your independent insurance broker for more details.

## Mould, Mildew & Fungi Exclusion



Toxic Mould is a term used when mould infests a building. Typically, it can be found in buildings that are unusually air-tight and have water seeping or leaking into them. Without adequate air circulation, any mould that forms will continue to breed and create health problems for those in the building. This often results in extremely expensive measures to clean the building and make it safe again.

The insurance industry has introduced a new exclusion known as the "*Fungi and Fungal Derivatives Exclusion Endorsement*," or the "*Mould, Mildew, & Fungi Exclusion*." This exclusion applies industry-wide to all property and commercial liability policies.

It specifically excludes property claims resulting from mould, mildew, or fungi, unless the damage is caused by a named peril (also known as resultant damage). This means, if a pipe burst in your home causing water damage that resulted in mould, mildew, or fungi, **the damages would be covered**. However, if you had a pipe that leaked slowly over an extended period of time and caused mould, mildew, or fungi to grow, this damage **would not be covered**.

New and renewed commercial liability policies also contain a provision which excludes damages caused by the business giving advice or instructions with respect to mould, mildew, or fungi.

Fortunately, toxic mould infestations are rare in Ontario. Do not give mould a chance to form in your home or workplace. Repair all water leaks and make sure the air circulation is adequate.

**Did You Know?** Any person operating a boat under four meters (13 ft) and fitted with a motor (including personal watercraft) is required to have a Proof of Competency Operator Card in their possession on board the craft. Included in this category are inflatables, dinghies, and small fishing boats. This law came into effect September 15th, 2002.





## Prevent Head Injuries... for as little as \$25!

On October 22, 2003, an eleven-year old Ontario girl did not make it home for supper. While riding her bicycle, she accidentally veered into traffic, on one of her city's busiest streets, and collided with a car. Her head smashed into the windshield and hit the pavement. The driver of the vehicle was devastated, but couldn't have done anything to prevent the accident. Unfortunately, the little girl could have.

This young lady, who normally wore a bike helmet, didn't have one on as she rode her friend's bicycle that day. She was lucky – if you call

suffering a fractured skull, surviving brain injury, and remaining in a coma for four days lucky. She survived, which is not often the case in these types of accidents.

It's hard to imagine the anguish her parents must be going through, or the possible health challenges still facing the child, or the enormous costs to our healthcare system to provide medical and rehabilitation services – all because she didn't protect her head.

Spurred by this accident, the girl's father has mounted a campaign to encourage parents everywhere to make sure their children wear safety helmets when cycling. We hope his message is adopted by parents in every community across the Province and reminds cyclists of all ages that twenty-five dollars is a small price to pay to prevent a tragedy!

## Buckle Kids With Care

### Cuddling can kill

One of the most dangerous ways for a baby or small child to ride in a vehicle is on your lap. Even at slow speeds, you cannot protect your child from injury by holding him or her on your lap. Studies show it is nearly impossible to prevent children from being thrown forward with a force many times their body weight, even if you are wearing a seat belt.

Attempting to hold a child in your arms while not wearing a seat belt is like holding a loaded gun to their heads. It's possible you could crush the child with your own body weight as you are thrown forward in an accident.

### Child safety seats save lives

Use an approved and properly installed safety seat for your children every time you drive. It's not only the law, it could save their lives.

When installed correctly and used properly, a safety seat prevents children from being bounced around inside the vehicle, or thrown out of the vehicle. When they are securely fastened into a safety seat, children often escape serious crashes unharmed. Don't take chances with any child's life.

### Buying tips

There are two types of child safety seats: *infant seats*, for babies under 9 kg (20 lbs.) and *convertible seats*, which can be used for both babies and small children until about the age of four. Each child safety seat sold in Canada must have a label saying it meets Canadian Motor Vehicle Safety Standard (CMVSS). It is against the law to use one that does not have a CMVSS label.

When buying a child safety seat, make sure it fits your child and vehicle, and is easy to install and use correctly. Consider the comfort of your child by looking at the design, seat cover material, space and freedom for arm movement. Make sure the harness straps are long enough to allow for growth and bulky clothes like snowsuits. A comfortable seat and proper fit will keep everyone in the vehicle happy.

Regardless of what style you choose, the seat must fit securely on your vehicle's seat. Consider the width and length of the base, make certain the seat belt fits through the appropriate places, and that the buckles fasten securely.

Whether buying a new or used car seat, confirm that the instructions and tether strap are included.

Before you buy a used child car seat, make sure the seat has not been recalled because of a safety or design problem. Check for notices with the manufacturer, or the Ministry of Transportation at 1-800-268-4686, or Transport Canada at [www.tc.gc.ca](http://www.tc.gc.ca) under child safety.

### Proper installation is critical

The Provincial Highway Traffic Act states that every child car seat must be secured

by all the anchorage straps and devices recommended by the manufacturer. If you do not use the tether strap, the vehicle's operator can be fined.

According to police, the most common installation fault with child seats is they are too loose. Make sure you follow all instructions from the manufacturer and the vehicle's instruction manual exactly. Finally, check the seat frequently to make sure it remains firmly secured.

Under Ontario law, the driver is responsible for making sure everyone under the age of sixteen uses a safety seat or a seat belt correctly. Please do your part. Don't put a child's life at risk.



**Warning! Never place a child in the front seat if the vehicle is equipped with airbags.**

# Is your home wiring safe?

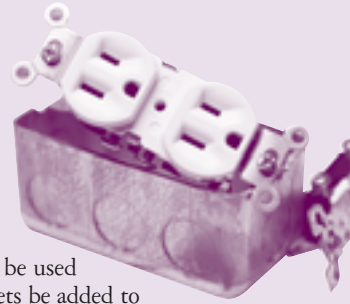
Faulty electrical wiring is the cause of many devastating home fires. If you live in an older home that has not had its electrical system upgraded, you could be at risk.

Homes with "knob and tube style" wiring or 60 amp service are a major concern. Built long before the days of self-defrosting refrigerators, dishwashers, and other energy-hungry conveniences, these homes simply do not have the capacity to meet the electrical needs of today's families.

Some homeowners have modified their systems using unsafe methods. Fire investigators have found dangerous situations such as extension cords used as permanent wiring, low amp fuses replaced with higher amp versions or by-passed all together, circuits overloaded with new receptacles, ground pins removed on grounded plugs, two pin receptacles replaced with three prong receptacles, and numerous other improper connections.

Many purchasers and owners of such homes are finding it difficult to get, or renew, insurance coverage. In fact, some insurance companies refuse to insure homes with knob and tube wiring or 60 amp service. Others require that 15 amp fuses or circuit breakers be used to protect the system, that no additional outlets be added to the original installation, and that conductors are in good condition.

Even though knob and tube wiring or 60 amp service may satisfy some people, it cannot keep up with the demands of today's homeowner. If you are unsure about the wiring in your home, contact your Electrical Safety Authority for an inspection, and use the services of a licensed electrician to make it safe. Don't take chances!



## A Letter to the Editor by a member broker

*The following Letter to the Editor was sent to a major urban newspaper last Fall. Although some of the details have changed, the main message is worth repeating.*

For months now, the media has been inundating the general public with information regarding the state of automobile insurance in Ontario. Now, it appears that one provincial party in particular, had based their platform on the progressive and economic changes they will initiate when they come to power.

The dilemma over soaring insurance costs has even garnered a whole section of your newspaper, and I feel it is time for me to speak up.

This response to the media blitz on insurance is in no way intended to be an opportunity to vent, quite the opposite. It is an intelligent and perhaps illuminating response from one sector of the insurance industry that is part of the solution, not part of the problem. I would like to draw your attention to the Independent Insurance Broker.

I am your insurance broker, and I remain anonymous because I am just one of the thousand voices in the customer service sector.

I drive a subcompact because it is all I can afford. I pay over \$1,800 for automobile insurance and trust me, I "shopped around." I get paid a salary and do not have any special "privileges" simply because I am in the industry.

I listen to your complaints and empathize, however, this often goes

unnoticed because you are angry and you need to express your frustration to someone. My role as a service provider is erroneously replaced with the role of enemy.

I have been called every foul name in the book ranging from a "crook" to a "%@#&%#!". I have been accused of usury and of "pulling the wool" over your eyes. I get blamed for your policy being cancelled because you did not have the sufficient funds in your account to cover your monthly insurance premium.

I work 5 days a week to ensure you get the best possible customer service regardless of the restrictions the insurance companies have placed on the industry.

I work 5 days a week with an unwavering commitment to ethical and fair treatment to all my clients regardless of their situation.

I have been there with you when you have called me to tell me that your spouse of 50 years has passed away and you don't know anything about insurance. I have cried with you when a drunk driver killed your child and you had to report the loss to our office.

On your behalf, I have implored the insurance company to reconsider your particular situation because of extenuating circumstances and have breathed a sigh of relief when they have. On your behalf, I have called your bank and your lawyer. I work for you.

As your insurance broker, I take great pride in the service that I provide. I have the experience and the skills to be able

to provide you with the kind of service that you have always enjoyed.

As your insurance broker, I would like you to know that you are my #1 priority. I would not be here if it wasn't for you. I spend my day looking after you the way I would expect to be looked after.

Perhaps, it would be prudent for all parties involved in this present insurance situation to consider the thousands of hard working Ontarians that are an unrecognized, yet vital part of a positive and productive Ontario.

I remain,  
Your Independent Insurance Broker



We're proud to be Members  
of the Insurance Brokers  
Association of Ontario