

Wednesday, 24 April 2013

Re: correspondence to Mr. Parks

From: David Chapman <dchapman@caasco.ca>

To: popov

Good morning Mr. Popov,

I have reviewed your correspondence to Mr. Parks and your policy history as well. I would agree that since inception August 1, 2007 your policy premiums have increased each year. This has not been a reflection of your driving history which is noted in your 9* driving record.

You noted the value of your vehicle has depreciated over the years but your premium continues to increase. The vehicle value is reflected in the premium charge for the comprehensive and collision coverages. These premiums have lowered from \$105 to \$54 for comprehensive coverage and \$295 to \$239 for collision coverage since policy inception.

The increases over the past policy terms is reflected to the greatest extent in the premium charged for accident benefits coverage. That premium has increased from \$527 in 2007 to \$1262 in 2012. These increases are reflected industry wide in relation to the claims experience for automobile insurers.

The legislation changes you mentioned in the reduction of some accident benefits coverages have been an acknowledgment by Government to the soaring costs for these benefits. It is hoped we will see a reduction of costs going forward and in time this will be reflected in premium reductions.

The accident benefits provided by Ontario insurers are the most extensive in Canada and have produced the highest cost per claim by a very wide margin. We have also witnessed a huge increase in criminal fraud related to these claims. These factors unfortunately have contributed to the highest auto insurance premiums in the country.

I note you have had your property insurance with CAA since 2008 and have been a member since 2000. We do appreciate your business and hope you will continue to allow us to provide you with the products and services that will meet your needs.

I trust I have responded to the concerns you raised in your fax to Mr. Parks.

Thank you,
David Chapman
CAA Insurance Ombudsman