

LEON'S CHARITIES EVENTS!

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**MEN OF THE SKY
VETS SHARE
A
MOMENT**

*Ken & Les at the War Plane
Heritage Museum in Mount Hope*

SIMPLY INSURANCE

Insurance rates are on the rise

You probably have noticed significant increases in your home and auto insurance if your policies have renewed recently. Motorcycle insurance premiums have increased dramatically as well. It is so difficult to understand when you have not had any losses and you see that your monthly payments have increased!

Remember that the basis of insurance is that the premiums of many people pay for the losses of a few. So, if an insurance company has paid out less money than it collected in premiums in a year, including their operating expenses, their year may be deemed acceptable. If, on the other hand, their losses exceed the premiums they have collected and their operating expenses are added in, they have lost money. In order to satisfy their shareholders, the company needs to adjust premiums to bring themselves to profitability. It does not take much to adversely affect the profit position of a company. The recent Leamington tornado, or the previous Red Hill Expressway flooding, resulted in massive

losses for companies who had insured residents in these areas.

And so it goes with automobile insurance as well. Mounting liability and accident benefits claims have led to unprofitable results for many Ontario insurers. Some victims in auto accidents may take years to recover or may not recover at all. Payouts for rehabilitation have been under the radar for several years now for many reasons and the result has been the creation of Ontario 2010 Automobile Insurance Reforms.

How will Ontario 2010 Automobile Insurance Reforms affect you??

As part of a 5-year auto insurance review, the Ontario Government has issued a number of automobile insurance reforms that will become effective on September 1, 2010. The primary changes for the public are changes the government has made to the Statutory Accident Benefits Schedule. A number of the coverages have been amended in an effort to give the driving public more choice. Accident

benefits is a significant part of your automobile coverage. Coverages such as Income Replacement Benefit, Medical, Rehabilitation & Attendant Care Benefit, Caregiver & Dependant Care, Death & Funeral Benefit and Indexation Benefit are already part of your automobile coverage. Each of these coverages has a payout limit depending on the severity of the injuries. The new accident benefits schedule changes many of these payout limits and allows you the option to purchase increases in coverage. It is hoped that these changes will stabilize the cost of automobile insurance for a number of years to come.

You will be receiving several communications regarding the Ontario 2010 auto reforms from your auto insurance carrier and/or your broker. Be sure you understand these changes and speak to your broker if you have any questions or concerns about this changing coverage.



Val Horvat

Val Horvat is a member of our McKiee & Farrar, Gair and Tri-County Insurance team of professional brokers. Val has been serving our community for over 20 years from our McKiee & Farrar office in Simcoe.

“Community-Minded Brokers Minding the Community”

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