



# CUSTOMIZED AUTO INSURANCE

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The Liberal government has recently announced that as part of their commitment to improve the automobile insurance product for Ontario motorists, the government has currently proposed a “customized” auto insurance policy.

## **STANDARD PACKAGE**

- minimum limits for liability coverage (currently \$200,000.00),
- the same coverage for compensation for repairs to an owner's own automobile (when the accident is not the owner's fault)
- protection for oneself and one's family in the case of being hit by an uninsured automobile
- a minimum level of standard accident benefits coverage, including medical and rehabilitation benefits, attendant care benefits, case manager services in catastrophic injury cases, funeral benefits and transportation expenses.

## **PROPOSED ACCIDENT BENEFITS & CREATION OF BUY-UP AND BUY-DOWN BUNDLES**

ACCIDENT BENEFIT	PROPOSED STANDARD COVERAGE	BUY UP COVERAGES AVAILABLE	BUY DOWN NO INCOME REPLACEMENT BUNDLE	BUY DOWN NO DEPENDANTS BUNDLE	BUY DOWN NO MINOR LOSSES COVERAGE BUNDLE
<b>Buy Down Income Replacement Bundle</b>					
Income Replacement	\$400/wk	Purchase coverage at \$600, \$800 or \$1,000	If bundle chosen, no coverage purchased		
Death	\$25,000 for spouse \$10,000 for dependants	\$50,000 for spouse \$20,000 for dependants	If bundle chosen, no coverage purchased		

ACCIDENT BENEFIT	PROPOSED STANDARD COVERAGE	BUY UP COVERAGES AVAILABLE	BUY DOWN NO INCOME REPLACEMENT BUNDLE	BUY DOWN NO DEPENDANTS BUNDLE	BUY DOWN NO MINOR LOSSES COVERAGE BUNDLE
<b>Buy Down No Dependants Bundle</b>					
Caregiver	\$250/wk + \$50/wk for each additional dependant	Additional \$75/wk + \$25/wk for each additional dependant for caregiver/dependant are to a max. of \$150/wk		If bundle chosen, no coverage purchased	
Lost Educational Expenses	\$15,000			If bundle chosen, no coverage purchased	

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<b>Buy Down No Minor Losses Coverage Bundle</b>					
Housekeeping and Home Maintenance expenses	\$100/wk for 2 years except catastrophic injuries				If bundle chosen, no coverage purchased except for catastrophic injuries
Expenses of Visitors	Covered for 2 years except catastrophic injuries				If bundle chosen, no coverage purchased except for catastrophic injuries
Damaged Clothing, Hearing Aids, Glasses	Covered				If bundle chosen, no coverage purchased

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<b>Mandatory Coverages</b>					
Transportation Expenses Mandatory coverage	50km deductible except for catastrophic injuries				
Non-earner Mandatory coverage	\$185/wk \$320/wk for student (after 2 years)				
Medical & Rehabilitation Mandatory coverage	\$100,000 \$1 million for catastrophic injuries	Additional \$1 million for med/rehab/ attendant care			
Attendant Care Mandatory coverage	\$72,000 \$1 million for catastrophic injuries	Additional \$1 million for med/rehab/ attendant care			
Case Manager Services Mandatory coverage	For catastrophic injuries only				
Funeral Mandatory coverage	\$6,000				

## **KRUGER COMMISSION:**

- Most people will simply opt for the cheapest coverage they can purchase.
- When people decline the optional coverage, they may find that they do not have enough money to pay for necessary medical/rehabilitation expenses or attendant care.
- Significant public education regarding the options would be necessary.
- Motorist also cannot rely upon the insurance industry or insurance brokers to properly educate.
- There is no proof that a customized automobile insurance policy will lead to lower insurance premiums for the average motorist.