



WORKING TOGETHER

An update from Quebec's home, car
and business insurers

Canada's property and casualty (P&C) insurance industry helps people manage the everyday risks that come with owning a home, business or automobile. Insurers also help Canadians to manage larger risks by working to reduce the potential economic impact of severe weather and earthquakes that can affect whole towns and cities.

Besides providing peace of mind, the P&C insurance industry helps drive the economy by employing tens of thousands of Canadians and promoting business growth in uncertain times.

The insurance industry champions issues that directly affect Canadians and the well-being of the country: financial literacy, emergency preparedness and severe weather adaptation.

In a world where both the economic and natural climates are becoming more turbulent, Insurance Bureau of Canada (IBC) is taking the lead in helping consumers to build resilience into their lives and communities. IBC and its members also collaborate with governments and other stakeholders who share a vision for a stronger, safer Canada.

This summary shows how far we have come, working together.



Johanne Lamanque

Johanne Lamanque,
Vice-President, Quebec

AUTO INSURANCE IS WORKING FOR QUEBECERS

Quebec's highly competitive auto insurance market benefits motorists in this province, who pay an average of \$532 for property damage and civil liability insurance. Factoring in the Société de l'assurance automobile du Québec (SAAQ) premium for bodily injury, the total average premium is \$712, making it the lowest average rate in the country.

A number of measures implemented over the last 30 years help to ensure that the province's auto insurance industry continues to run smoothly.

Access to auto insurance is guaranteed. Quebec motorists can obtain the auto insurance required by law through an access mechanism administered by the Groupement des assureurs automobiles. The province's insurers created the Risk Sharing Plan, which enables them to share more substantial insurance risks.

Other measures have also been put in place to streamline and accelerate the settlement of claims, including:

- The Joint Report, used for minor accidents, which allows the parties involved to report the accident to their respective insurers without police involvement.
- The Direct Compensation Agreement, under which each insured is compensated directly by his or her own insurer in the event of an accident.
- Automobile damage appraisal standards, which were established to guarantee that vehicle repairs are fair and equitable.

Simplified auto insurance policies

Working with the Autorité des marchés financiers, insurers have completed the formidable task of rewriting auto insurance policies in simplified language. The challenge lay in clarifying the content while preserving the scope of existing policy benefits. Improvements include the use of short sentences, bulleted points and simplification of policy wordings.

Beginning March 1, 2014, Quebec motorists will have auto insurance policies that are easier to read and understand. This is a first in the province.

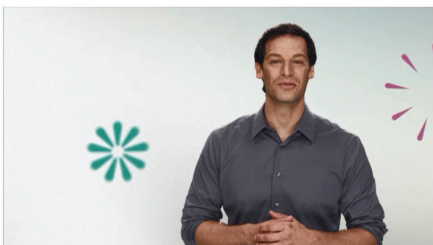
REAL PEOPLE AT THE OTHER END OF THE LINE



Always at the ready, the Insurance Information Centre's agents provide information and advice to thousands of Quebec consumers each year, helping them to get answers to their questions about car, home and business insurance.

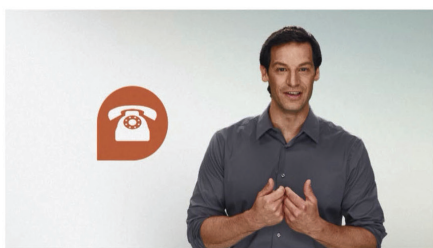


Whether people are looking for information, advice or help with getting insurance or settling a claim, the Centre's services are in high demand.



Thanks to the assistance of Information Centre agents, 167 consumers were able to find auto insurance or home insurance to meet their needs.

A television campaign was aired in 2012 and 2013 to remind Quebec consumers that there are "real people at the other end of the line" to provide information and assistance.



TV ad

INSURANCE 101

When people buy insurance policies, they put money into a pool with many others to help the few who will suffer a financial hardship (house fire, auto collision, business interruption and other types of insurable claims) in that year.

A **premium** is based on how likely it is that a benefit might be paid to a purchaser from the money pooled by the other clients of the same insurer in a given year. Insurers gather information that will help them set fair and accurate rates.

For example, when calculating your **home insurance** premium, insurers consider factors like age, size and location of dwelling.

For **auto insurance**, some factors that impact premiums include claims history, driving record (and the record of other drivers in the household), and vehicle make, model and year. Ask your insurance representative about your policies at least once a year.

Did you know?

Both federal and provincial governments regulate the insurance industry. In Quebec, the provincial government oversees auto insurance rates.

Questions to ask your representative:

HOME

1. What does my policy cover?
2. Is there a specific kind of insurance for a house? An apartment? A condominium?
3. Are there risks for which I can't buy insurance?
4. Is optional coverage available for risks not normally included?
5. What can I do to lower my premiums?

AUTO

1. What does my policy cover if I'm involved in a collision?
2. What optional coverage is available?
3. Should I have collision insurance on an older car?
4. What size of deductible is recommended?
5. What can I do to lower my premiums?

ENTREPRISE

1. What kind of insurance do I need?
2. Are there perils for which I can't buy insurance?
3. If my business is home-based, do I need special coverage?
4. What does errors and omissions or malpractice insurance cover?
5. What can I do to lower my premiums?

THE CHALLENGE: ADAPTING TO CLIMATE CHANGE



Severe weather isn't going away. A 2012 study by Nobel Prize-winning climatologist Dr. Gordon McBean, commissioned by IBC, says Canada can expect more extreme weather in the next 40 years. That means more floods, storms, wildfires, droughts and hurricanes.

For each of the past four years, insured damage from natural catastrophes in Canada has been near or above \$1 billion. In 2012, damage hit close to **\$1.2 billion**.

Building awareness in Quebec's municipalities

Throughout 2012, IBC made a number of representations to municipalities in Quebec and civil protection stakeholders to raise awareness of the issues surrounding water damage and to discuss available measures and tools for better assessing this risk and minimizing its impact.

Helping Canadians adapt

The insurance industry is taking the lead on helping Canadian communities to become more resilient to severe weather.

Our work includes:

- Working with all levels of government and other stakeholders to ensure that stormwater and sewer infrastructure is a priority for future investments.
- A report on "the economic cost of doing nothing" about severe weather risks in specific regions, towns and cities in Canada, scheduled to be completed in 2013.
- Consumer education on how to minimize and prevent water damage to property.

NATURAL DISASTERS: HELPING COMMUNITIES PREPARE

Each year, IBC takes part in activities designed to raise public awareness about the importance of being properly prepared for emergency situations.

Civil Protection Week

IBC participates in the activities that take place each year as part of Civil Protection Week, by sharing various messages about prevention and reminders about insurance coverage that is available when disaster strikes.

This is also an opportunity for IBC to build awareness about what everyone can do to prevent property damage and make sure they stay safe.

The Great ShakeOut in Charlevoix

IBC is lending its support to the first-ever Great ShakeOut in Charlevoix, taking place on September 26, 2013. As this region of Quebec is in a seismic hazard zone, local authorities have taken the initiative of organizing this earthquake drill, based on similar drills held in British Columbia and other earthquake-prone parts of the world.

Participant Officiel

Joignez-vous
à nous pour le plus grand
exercice de tremblement
de terre de l'histoire
du Québec.

Baissez-vous! Abritez-vous! Agrrippez-vous!

La Grande
secousse
de Charlevoix

26 septembre 10 h 36

Inscrivez-vous : GrandeSecousse.org/charlevoix

La Grande
Secousse :
Je sais
quoi faire.

Baissez-vous! Abritez-vous! Agrrippez-vous!

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To find out more, visit www.grandeseccousse.org/charlevoix/

THE “DID YOU KNOW?” EDUCATION CAMPAIGN

Once again this year, IBC joined forces with the Groupement des assureurs automobiles to present an educational campaign to inform consumers about insurance and the claims settlement process.

Throughout the year, a series of animated ads were featured on the internet, asking the question “Did you know?” in relation to various topics and directing people to the **infoassurance.ca** site to find out the answers.

Infoinsurance.ca continues to be at the heart of IBC’s educational campaigns. The site offers a wealth of information to help consumers better understand their home, auto and business insurance coverage. In 2012, there were more than 257,400 visitors to the site.

An insurance information kit was mailed to more than 10,000 homeowners and tenants who moved during the year.



La durée de vie moyenne d’un **chauffe-eau** est de 10 ans.



Quel âge a le vôtre ?

Comment éviter les sinistres **causés par l’eau ?**



infoassurance.ca



Saviez-vous que c’est **vo**tre assurance habitation



qui protège les **am**éliorations faites à votre condo ?

Tout ce que vous devez savoir sur l’assurance habitation



infoassurance.ca



Web ads

GIVING BACK



To deliver its educational campaign, IBC teams up with a variety of partners to better connect with consumers.

Bien verrouiller, c'est important!

Roue et cadre attachés à un support solide

Cadenas en U de bonne qualité

Conseils pratiques et ressources

bienverrouiller.info

“Lock it. It’s important!”

IBC joined forces with Montreal’s Committee on Bicycle Theft, to help raise awareness about bicycle theft prevention. A promotional campaign was developed and launched in co-operation with the city’s police services and Tandem Montreal. Posters reminding cyclists of the correct way to lock up their bikes were put up around the city, with special emphasis on university campuses and the areas around metro stations. Nearly 3,000 bicycles are stolen each year in the territory serviced by the Service de police de la Ville de Montréal.

“Drop, cover and hold on”

IBC is sponsoring the Great ShakeOut in Charlevoix. The goal is to raise public awareness about earthquake risk and preparedness.

Operation Red Nose

IBC is also involved with Operation Red Nose. As part of this initiative, insurers have agreed not to penalize a volunteer or client of this service who is involved in an accident during a ride home.

The objective, of course, is to ensure that a person who volunteers with Operation Red Nose or who wisely decides to use its services will not be “penalized” by having a claim entered on his or her record in the Automobile Claims Database.

A STRONGER ECONOMY

The P&C insurance industry is a key contributor to Canada's economic success:

Almost **115,000** Canadians work in the P&C insurance industry.



Insurers paid more than **\$7.5 billion** in taxes to federal and provincial governments, including two provincial taxes unique to our industry – a tax to support fire services and a health care levy to help pay for the medical needs of accident victims.

The insurance industry has more than **\$98 billion** in invested assets, helping support economic growth and stability.



Insurers paid out **\$28.6 billion** in claims to victims of accidents, disasters and other losses.

Source: IBC Facts Book, 2011 figures.

IN QUEBEC

187 Number of insurers licensed to sell P&C insurance in Quebec.

\$1.2 billion Amount of taxes paid by P&C insurers to the Quebec government in 2011.

\$4.8 billion Amount of claims paid out to claimants in Quebec by P&C insurers in 2011.

30,000 Number of Quebecers working in the province's P&C insurance industry in 2011.

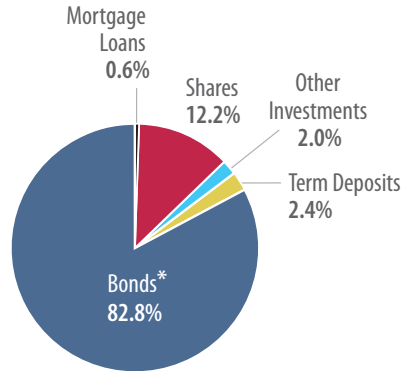
Sources: Autorité des marchés financiers, Annual report on insurance, 2011; Coalition pour la promotion des professions en assurance de dommages.

INVESTING WISELY

Home, car and business insurers are safe investors – they have to be in order to cover their consumers’ claims.

Most of the P&C insurance industry’s investments are in secure bonds, making the industry far less vulnerable to stock market fluctuations. This is why insurers fared better than other financial services industries during the recent economic crisis.

BREAKDOWN OF NATIONAL INSURANCE INDUSTRY INVESTMENTS (2011)

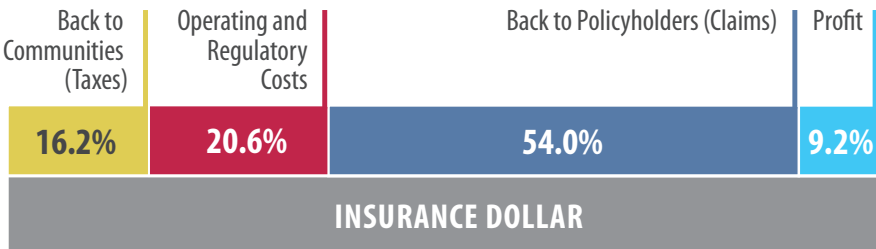


Source: IBC, MSA Research (preliminary estimate)

* Mostly federal, provincial and municipal bonds.

THE INSURANCE DOLLAR- WHERE DOES YOUR MONEY GO?

The Insurance Dollar chart shows how insurers spend each premium dollar averaged over the seven years from 2006 to 2012. In total, more than **90** cents out of every dollar that our industry collects is reinvested in Canada’s economy.



Source: IBC, MSA Research.



Insurance Bureau of Canada is the national industry association representing Canada's private home, car and business insurers. Its member companies represent 90% of the property and casualty (P&C) insurance market in Canada.



QUESTIONS? WE'RE HERE.

If you have questions, please contact:

Insurance Bureau of Canada's

Insurance Information Centre

Montreal area: 514-288-4321

Elsewhere in Quebec: 1-877-288-4321

Hours: M–F 8:30 a.m. – 4:30 p.m.

or visit **infoinsurance.ca**

For additional copies of this booklet,
please contact IBC's Public Affairs division
at 514-288-1537, extension 2277.