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Insurance rates on decline after three tough years: agent

Intell - Nov. 14/77

Rapid inflation in a three-year period when some insurance companies were pulling out of Canada and others were losing money brought insurance premiums to a high although they are now declining and again competitive.

Ross McDougall, president of Lorne McDougall Insurance Agencies, said inflation moved right into insurance settlements, especially if they were delayed over a few years.

"The awards being given by the courts were way in excess of what they used to be," he explained. "Canada although was behind the

United States where there is a far worse problem."

Currently if consumers shop around, they can make savings on insurance. In the automotive field, buyers can save between 35-40 per cent with wide variations in available rates also in the house insurance and commercial fields.

"The biggest variations are within the large commercial risks," McDougall said. "It won't last forever, but people can find variations."

When shopping for insurance, McDougall said it is important that the buyer find an agent he can trust.

"There are all kinds of different policies so people

should make sure they get someone who can explain what they are buying," he said. McDougall added that too many people will phone a variety of agents for house insurance prices and pick the lowest without knowing what the policy is good for. Shopping by price alone without investigation of what the money is buying in coverage is risky, he said.

"The cheapest prices aren't the same coverage," he commented. "No insurance company has any magic tricks for cheaper rates. Get an agent who will give you the best price with the coverage you need. You'll do better in the long run."

Although your next-door neighbor maybe paying less--perhaps only dollars--than you, McDougall said over a five-year period, prices will even out.

"You might be paying \$95 a year now and your neighbor might pay \$80," McDougall explained. "But five years from now, you might be paying \$105 and he'll be paying \$120."

McDougall suggested that buyers develop a rapport with their insurance agent who will answer questions about policies being considered.

"It's not just the prices that are important," he said.