

# Higher standards for realtors

Ontario Real Estate Association (OREA), President Jim Cathcart applauded new regulations passed by the provincial government June 22, 1988 for higher standards for real estate salespeople. "This is an essential direction in order for the

goal of increased consumer protection to be accomplished" he said.

Orea is delighted with the government's response to the proposals made by the Association's licensing task force. "The Association believes that these steps will serve

to increase the professionalism and thereby enhance the image of the real estate profession in Ontario", stated Cathcart.

Under the new regulations, salespeople must pass courses in real estate law, mortgage financing

and appraisal prior to their first two year license renewal. The new rules apply only to persons registered on or after July 1, 1988.

Since the required courses cover areas in which real estate salespeople deal daily, the new educational initiatives will increase knowledge and provide better service to the consumer.

William Wrye, Minister of Consumer and Commercial Relations endorsed the upgrading of real estate salespeople saying "they are a step in improving consumer protection for home buyers and sellers.

Successful completion of the course, is required before a person can attempt the 150 hr sales licensing course.

In addition, a 40 hr compulsory course will be introduced for salespeople wishing to become office managers. Brokers will be required to sign trade sheets recording the activities of their sales staff.

"This will enable us to be sure people applying for licenses as office managers or brokers have been active in real estate sales, and are not just warehousing licenses", said Wrye.

Brokers will have to be more accountable for supervising the activities of salespeople. All this means improved protection for the consumer and higher professional standards.

Last changes to the Real Estate And Business Broker Act (REBBA) date back to the 1960's. Wrye hopes to overhaul the Act next year "to help consumers receive truly professional service in the most important transaction that most will ever make".

## Auto insurance changes

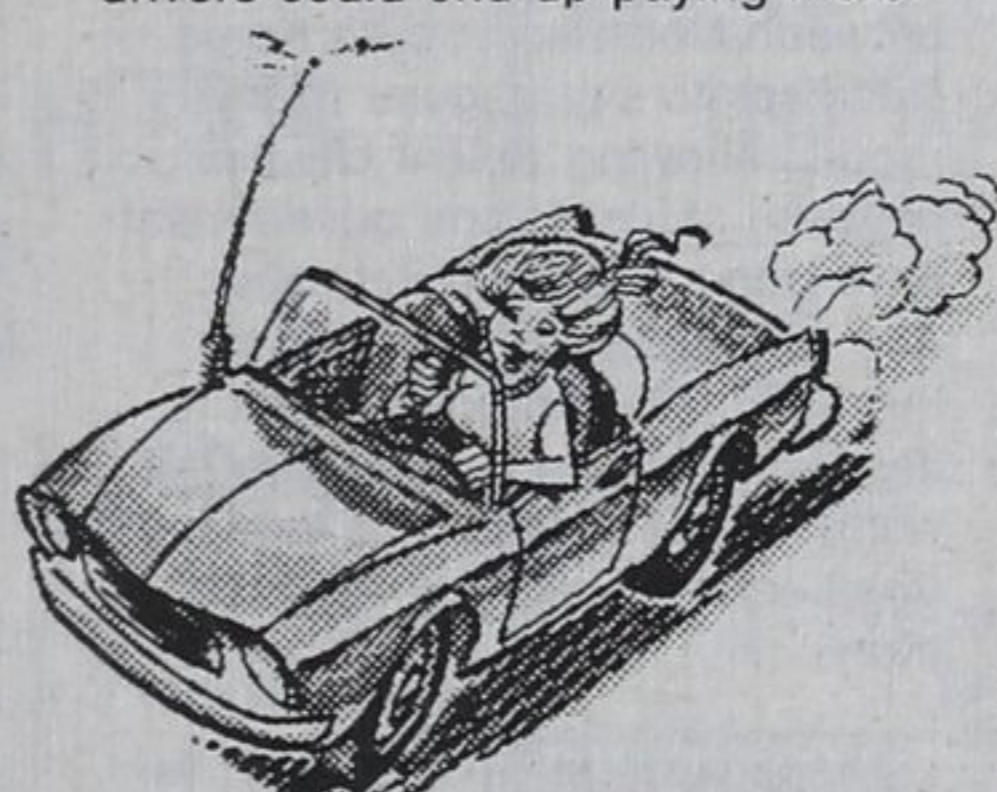
by Cheryl Pritchard

Car insurance in Ontario is headed for a major change due to new government legislation.

In February 1988, the government of Ontario passed legislation to create the Ontario Automobile Insurance Board. This board will be responsible for overseeing private insurance companies as they set premium rates, increases, and decreases.

Not only is the government going to regulate the premiums, it is going to determine the way the insurance companies formulate the premiums. No longer will age, sex, and marital status be used as rate-setting criteria. Factors such as vehicle use, and driver and vehicle characteristics will be used instead.

When the government-set rates take effect in 1989, there will be increases in premiums for some drivers, and decreases for others. Young men, traditionally in a high premium bracket, will probably experience a decrease in premiums, while young women and mature drivers could end up paying more.



Right now, car insurance rates are based on the principle that premiums collected from the majority are used to cover the losses of the few. When you apply for car insurance, the company considers not only your own driving record, but also the driving record of the group you belong to.

As the population increases, so does the number of cars on the road. Congestion is a major cause of automobile accidents and each claim contributes to an increase in the premium rates. Add to this the rising cost of cars, parts, labour and compensation for injuries to accident victims and their families.

In 1986 alone, 4,071 Canadians died in traffic accidents, and 264,481 were injured. For each accident, the average repair cost for cars with collision coverage and a \$200 - \$250 deductible was \$1,846.

This cost doesn't include repairs to buildings, guardrails, hydro poles, and other property damaged in the accident. These repairs cost insurance companies an average of \$1,662 per claim. In total, private insurance companies paid out a staggering \$3.7 billion dollars in automobile insurance claims in 1986, and more than \$2 billion of that went to repairing or replacing vehicles.

Car insurance premiums in Ontario increased 67 per cent between 1983 and 1987, but the cost of settling claims during that same period rose an alarming 82 per cent.

If you would like to learn more about car insurance or what you can do to lower your premiums, contact your broker or agent, or the Insurance Bureau of Canada, Consumer Information Service.

\*Figures are from the Insurance Bureau of Canada Facts Book, 15th Edition, and from Car Insurance in Changing Times, produced by the Insurance Bureau of Canada.

## Improvements

Homeowners hoping to increase the resale value of their homes will be further ahead by inexpensively upgrading their oil furnaces, rather than converting to gas or electricity, and using the money saved for other home improvements.

"For less than the \$1800 cost of converting to gas or the \$2300 cost of converting to electricity, a homeowner can choose between several home improvements which are likely to increase the value of his property," says Kevin Fullbrook, executive director of the Home Energy Group, which represents Ontario retailers of fuel oil and manufacturers of oil heating equipment.

"Those improvements include installation of a whirlpool, kitchen cabinets, bathroom fixtures or greenhouse window. The savings could also pave the walkway with decorative brick, pay for a paint job or replace old eavestroughs," Mr. Fullbrook said. "An informal study of real estate trends indicate that these improvements add more to the value of a house than conversion to natural gas or electrical heat."

In contrast to the high cost of furnace conversion, the average cost of retrofitting an oil furnace to achieve improved efficiency is only \$600. And according to Fullbrook, a modified oil furnace is more energy efficient than either a conventional natural gas unit and less expensive to operate than an electrical unit.

"An older furnace which has been retrofitted will produce more than 104,000 BTUs per \$1.00 of fuel at today's prices, compared to 96,000 BTUs for a conventional gas furnace and 70,000 BTUs with an electrical furnace.

"In addition, there are other advantages to heating with oil. It allows the consumer to choose between dealers, rather than having to deal with one utility. And because fuel dealers must compete with one another for business, service to customers tends to be superior," says Fullbrook.

"Homeowners spend more to enhance their homes during the spring and summer than at any other time of the year. Those who heat with oil will add value and get more enjoyment from their homes by upgrading their present furnaces and investing in home improvements that really count."

## Surveyors

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a summer construction season, he added. His crews are busy year-round.

Surveyors across the region are so concerned they have been visiting local high schools to explain their line of work and encourage students to consider entering the field.

Applications are now being accepted for Georgian College's two-year Survey Technician program, offered at the Barrie Campus. During the course of their schooling, students also acquire 16 months of paid on-the-job experience working with surveyors in the field.

For further information, contact Georgian College at 728-1951, ext. 343 or 1-800-461-9696, ext. 343.



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