

# New auto insurance rates announced

By Dave Chmara

The Ontario Automobile Insurance Board released the Board's decision February 13 on private passenger automobile insurance rates to be effective on or before June 1, 1989.

Following 12 full days of hearings and two evening sittings commencing December 12, 1988 and ending January 13, 1989 and after considering all the evidence including over 4,000 pages of transcript, over 580 exhibits, and over 430 submissions from the public and arguments from the parties, the board decided that the average industry-wide benchmark rate increase should be approximately 7.6 per cent.

This benchmark is to be bound by a range of +9 to -20 percentage points.

In order to conduct an expeditious and timely public review, and acting in accordance with the Ontario Automobile Insurance Board Act, 1988, the Board retained the independent consulting firm, William M. Mercer Ltd., to prepare a rate proposal for consideration by the Board. The Mercer Proposal called for an average benchmark increase of approximately 35 per cent with a range of +10 and -25 percentage points.

Insurance companies may charge premiums in a range that extends 9 percentage points above or 20 percent below the 7.6 per cent benchmark figure.

Board Chairman John Kruger described the decision as "being the result of careful consideration of all evidence received at the public rate setting hearing. I believe that this rate range fulfills the Board's mandate to set rates that in the opinion of the Board are just and reasonable and not excessive or inadequate."

Although the benchmark rate was determined to be an average 7.6 per cent increase over the current industry-wide rates that were capped by the Ontario government on April 23, 1987 (which were allowed to be raised by 4.5 per cent on Jan. 1, 1988), it is important to note that not all drivers will automatically see premiums increase by this amount as some consumers will have decreases while others will see increases within the range established by the decision.

There are two main reasons for the rate increase which will affect almost 6 million Ontario drivers - the overall average rate level increase, mostly as a result of claim costs, and the adjustment required to implement the Board's Class

Plan. The Board noted that all drivers will now play by the same rules. Greater emphasis is now placed on driving experience and those identifiable risk characteristics that effect loss costs such as claims, convictions, territory, vehicle use and annual driving distance.

Rates will no longer be determined by age, sex or marital status.

Everyone will now pay the same surcharges for claims and convictions.

Drivers in large urban centres exposed to heavy congested traffic

have a greater chance of accident than drivers in smaller centres.

These drivers will now pay a larger premium to better reflect this greater risk. Drivers in non-urban areas may pay less.

Insurers will now require board approval to increase rates above the 9 per cent or to decrease rates below the 20 per cent currently allowed by the Board.

The Board intends to review rates for 1990 in the fall of 1989. The Board intends to review rates on an annual basis and rate hearings will be held in September,

with new rates, if any, to be effective January 1, 1990.

The Board will publish comparative price information to assist consumers to comparison shop. The Board will also publish a comprehensive rate manual to assist the public to understand how insurance premiums are determined. As well, the Board will publish annually the financial results of the regulated Ontario Automobile Insurance Industry to ensure complete public disclosure of the financial status of insurance companies in Ontario.

## CROSSWORD PUZZLE

"Bucks"

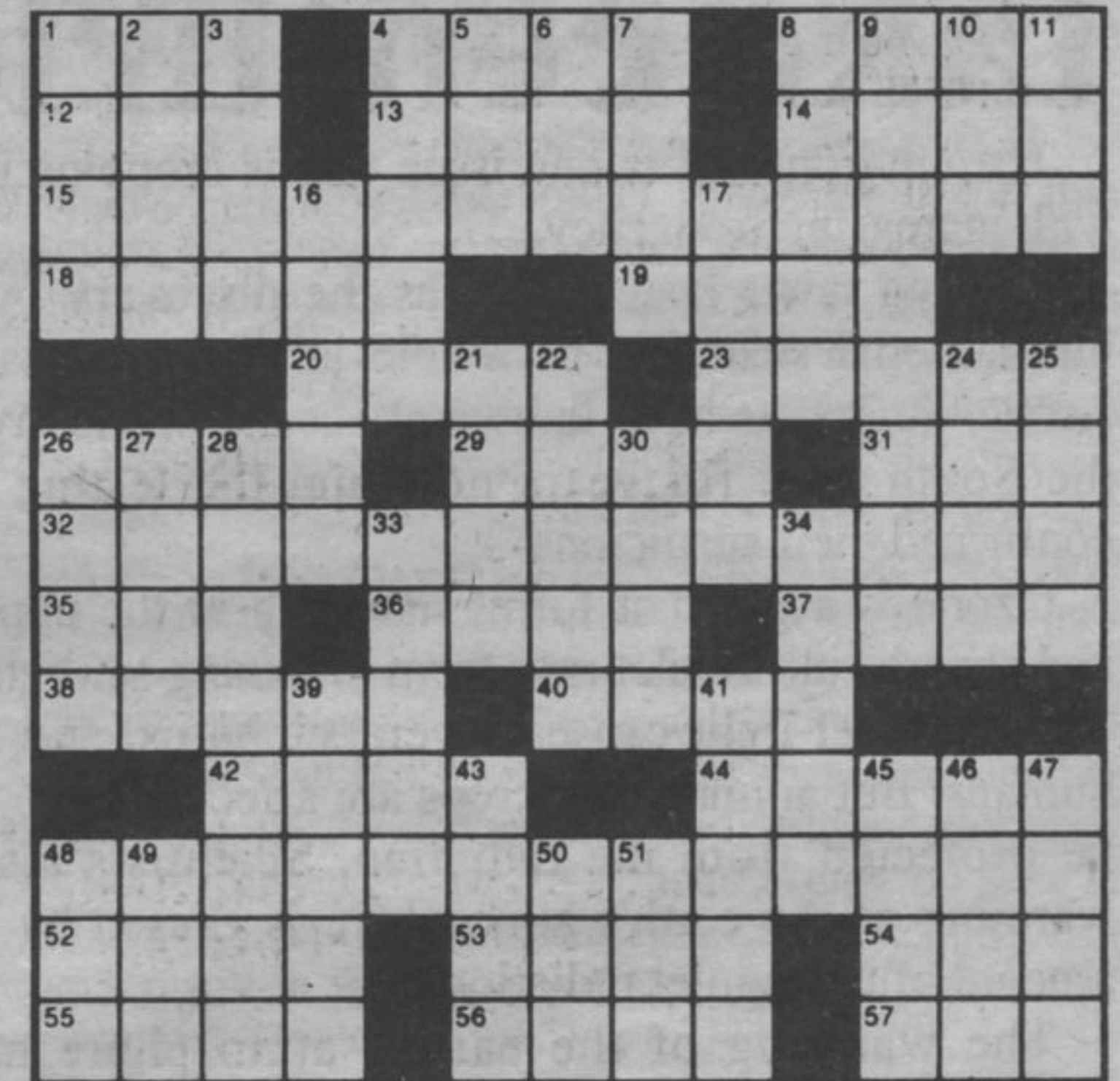
### ACROSS

1. Cigarette residue
4. Pace
8. Pub beverage
12. Skip to my \_\_\_\_
13. Close by
14. Foreboding
15. Bucks
18. Smack with the hand
19. Lisper's word for okay
20. Profound
23. New name for Gold Coast
26. What to do in a "Yellow Sumarine"
29. Theatre box seat
31. Teutonic sky god
32. Buck
35. How to address Mr. T
36. Shopping centre
37. Made a hole in one

38. Not fresh (as bread)
40. Canuck's neighbour
42. They shoot old horses that complain, don't they?
44. Weird, uncanny
48. Buck
52. This garment of song has many colours
53. Earth (Scot.)
54. \_\_\_\_light (between sunset and darkness)
55. \_\_\_\_bitsy
56. Tolkien creatures
57. Caucasian ibex

### DOWN

1. Charity
2. Bar of \_\_\_\_
3. Dance or hoop
4. Boa or adder
5. Decade
6. Satisfy the munchies
7. Victime of a crime
8. Salvation Army founder
9. Be \_\_\_\_ (be sure of oneself and stress it)
10. Shoe width size
11. TLC dispensers
16. Oppos. of began
17. Jules, former gov. gen.
21. Fitzgerald, the singer
22. "\_\_\_\_ wants a cracker!"



24. Long African river
25. \_\_\_\_ Lang Syne
26. Deprivation
27. What's \_\_\_\_ for me?
28. Porches
30. Posh event
33. Alpha is the first, what's the last?
34. Counterfeiter (if bread was money)
39. Church-goers, as a group

41. Uncool persons
43. Old-fashioned dagger
45. Polly's getting fussy, now she specifically wants a \_\_\_\_
46. Hawkeye state
47. Vancouver's witty Nicol
48. Here (Fr.)
49. Certainly \_\_\_\_! (No way)
50. Unnaturally pale
51. Aesthetic stuff



## Dance for Heart

Continued from page 1

all deaths are caused by heart attack or stroke. She also mentioned that this figure is higher in Northwestern Ontario - around the 59 per cent range.

To put this in perspective, she said cancer only accounts for about 26 per cent of all deaths in the same area.

Warf said approximately \$5,800 was raised in the Terrace Bay Dance For Heart fundraiser last year.

Although Warf did know at the time of the Dance For Heart held in Terrace Bay the amount of money pledged in Manitowadge, she refused to reveal the amount.

She was concerned, and probably rightly so, that Terrace Bay participants would cough up the required funds if they learned that Manitowadge pledged more money - if indeed that was the case.

She did mention that the totals for this year won't be available until somewhere around the end of the month - until all the donations are received.

As a result, a winner won't be declared until that time in the challenge between Manitowadge and Terrace Bay.

## BIRTH ANNOUNCEMENT

Daryl & Carol Broughton are pleased to announce the birth of their daughter, **Jade Miranda** on January 15, 1989, weighing 8 lbs., 10 ozs. Jade was born at Royal Island Hospital, Kamloops, B.C.

## Thank you

Jack Handel and Beth Macadam wish to thank those who voted, resulting in them being chosen as Senior King and Queen of the Winter Carnival. They thank the Recreation Committee for the trophy and gifts and the privilege of attending Carnival functions. It was an enjoyable experience. Our thanks to all concerned.

## Thank you

I would like to thank Dr. Raczycski and nurses of McCausland Hospital for the good care I received while I was a patient there. I would also like to thank my neighbours, friends, family and grandchildren for their visits, flowers, fruit baskets, candies and cards. Thank you to the J.A. Group of St. Johns for taking the time to make get well cards. Your thoughtfulness is very much appreciated.

**Godfrey Birch**

## Thank you

Many thanks to all my friends who sent flowers, fruit baskets, cards and visited me during my stay in the hospital. Special thanks to Dr. Wilkes, the nurses and staff of the McCausland Hospital.

**Ray Hansen**

## Thank you

We would like to thank everyone who came out and made our social a success. Special thanks to Terry, Steve and Daryl-Lynn for all their time and effort. Also thanks to anyone else who helped out in any way. Hope it was a fun time for all.

**Garry & Donna**

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