

From: [REDACTED]
Sent: July 13, 2008 2:31 PM
To: 5 Year Review
Subject: Auto Insurance Review Public Input

Hello. There is no doubt that automobile insurance is a complex issue that must be simplified. Extreme complexities that often defy insurance brokers to clearly explain to their clients need to be eliminated. The many ambiguities lead to individual insurers' interpretations that result in unfairness to automobile owners who have no idea what their policies actually mean.

Our government must ensure that auto insurance policies are written very clearly, and include up front a brief, concise, complete and accurate summary of the protection promised to the insured party so that the whole of the coverage can be understood quickly by anyone with average reading and comprehension.

Insurers should be required to clearly justify premium increases above the rate of inflation. Also, the occurrence of an accident or the making of a claim should not automatically result in a premium increase, which practice discourages accident reporting and making of claims. The insurance contract is a promise of financial protection in case of an accident that must be reliable and accident claims should only in exceptional circumstances lead to premium increases, such as frequent claims.

A process should be implemented where there is a scheduled annual reduction of premiums for drivers who are accident free (good driver points) regardless of age, years driving, etc. This would be an incentive to be careful.

Finally, the basis for auto insurance needs to be changed away from insuring the vehicle owner for public liability coverage, to insuring the licensed driver. Every person would be required to have a minimum amount of public liability coverage before being granted an operators permit. The insuring of vehicles would be voluntary. This change would separate the insuring of drivers (persons) from the insuring of vehicles (property). A person owning multiple vehicles would not have to pay extra when they obviously cannot drive more than one vehicle at a time. Insurers may increase their client base, and income, by covering all those currently licensed but personally uninsured drivers.

This last proposal would institute an auto insurance system that is fairer (like user-pay), easier to understand (separate coverage of persons' behaviours from coverage for property), and potentially increase profits to insurers by increasing client numbers.

Thank you.

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