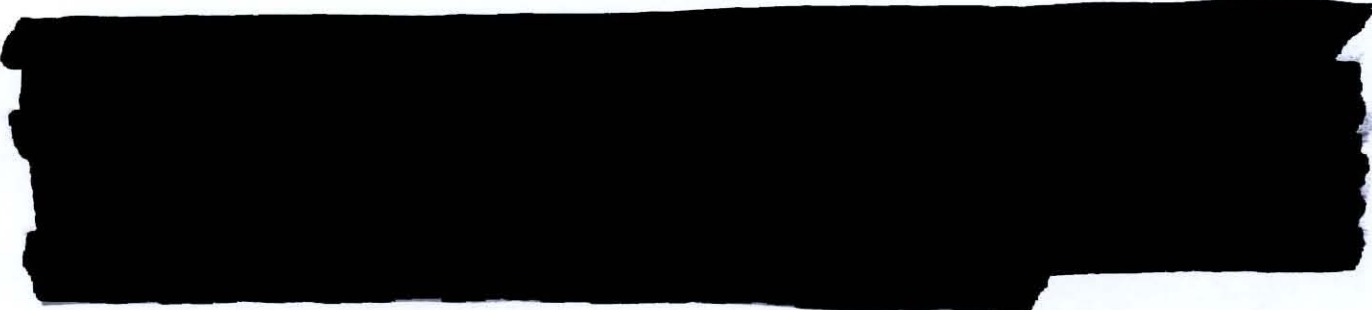


From: Linda Boyle [Linda@omex.org]
Sent: July 11, 2008 5:59 PM
To: 5 Year Review
Subject: Submission regarding current review of the Ontario Automobile Insurance

Dear Sirs:

I am the Executive Director of the Ontario Municipal Insurance Exchange. As a reciprocal insurance exchange we are licenced to insure Ontario municipalities. OMEX provides automobile insurance for municipal fleet vehicles (private passenger, light and heavy commercial vehicles), emergency services vehicles and public transit systems. My comments below stem from the extensive experience we have in dealing with municipal auto claims.

As a not-for-profit insurer of municipalities, we make every effort to handle our claims in a fair, and cost-effective manner. During the past five years, we have noticed certain issues regarding auto claims that we would like to raise with you for consideration.



2. Transit Systems: When No Fault was first introduced in the early 1990's, the main rationale appeared to be to stabilize auto insurance premiums by reducing the tort actions associated with an MVA and to provide those injured in accidents with ready access to medical and other types of assistance at the time they needed it most. However, by including municipal transit systems in the No Fault auto plan, the transit operators and their insurers have had to bear a significant increase in claims arising out of not-at-fault accidents to which they would not have been exposed under a tort system. We have seen a sharp rise in the transit claims (primarily AB claims) and correspondingly have had to increase the premiums we charge to the municipalities to cover these losses. As these are municipal transit systems, the local taxpayers are in essence funding the costs associated with transit being part of the No Fault Auto plan. With plans to increase access to public transit, the associated claims costs will become prohibitively expensive. **We would strongly recommend removing transit systems from the No Fault auto plan. We would support insuring transit under an auto scheme similar to the one in place prior to No Fault.**



I appreciate the opportunity to raise some of these issues as part of the 5 year review and would be happy to provide any additional input that you may require.

Regards,

Linda Boyle
Executive Director
Ontario Municipal Insurance Exchange

